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INDEX TO VOLUME IV.

Titles of articles printed thus :—FOOD FOR THOUGHT.
All papers, pamphlets, etc., thus :—*The Call.*

A.

Adam, 93
Addison, Dr., 31, 144
Afghanistan, 125
Africa, South, 162
Agriculture, Board of, 45
Air Service, 85
Alsace-Lorraine, 185
America, 31, 46, 89, 148, 159, 164, 171, 173, 185, 186, 189
America, South, 148
Aminullah Khan, 125
Anarchist Communism, 92
APHORISMS, SOME RECENT, 22
APPOINTMENTS DEPT. of the MINISTRY OF LABOUR, 54
Argentine, 186
Armistice, 90, 139, 188
Army, 49, 54-56, 105, 113, 123
A.S.E., 26, 116, 191
Ashton, T., 15
Australia, 87, 186
Austria, 60, 63, 125, 157, 159, 183, 186

B.

Bakunin, 185
Balfour of Burleigh Committee, 87, 89
Balkan War, 186
Barnett, Canon, 12
Barry, Bishop, 12
Basle, 184, 186
Bastiat, 93
Bavaria, 60
Beachley, 111
Beesly, Professor, 183
Belfast, 26
Belgium, 17, 186
Bellamy, Albert, 15
Bernstein, 185
Bible, The, 124
Birmingham, 27
Blatchford, Robert, 133
Board of Agriculture, 45
Board of Trade, 82, 156, 192
Boilermakers' Union, 116
Bolshevism, 9, 19, 31, 51, 53, 60, 89, 104, 124 126, 140, 170, 188
BOLSHEVISM, THE FAILURE OF, 50
Bolshevists, 50-53, 64, 90, 92, 96, 124, 139, 189
Bolton, 63
Bowley, Prof. A. L., 128, 130-132
Brace, W., 22, 23, 25
Bradford, 45, 86
Brassey, Lord, 23
Bravine, 125
Brest-Litovsk, 90
Bristol, 114, 138
Bristol Conference 1916, 138
Britain, 5, 11, 14-16, 28, 31, 43, 44, 60, 63, 88, 89, 104, 107, 121, 146, 148, 152, 156, 157, 159, 171, 186, 189
British Cotton Industry Research Association, 145
British Empire, 86, 88, 188
British Empire Land Settlement League, 9
British Empire Producers' Organisation, 155
British Incomes and Property, 128, 130
British Workers' League, 7
BROTHERHOOD OF BRITONS, THE, 104
Brüce-Glasier, 186
Brussels, 184-186
B.S.P., 138, 139, 186, 187, 189
BUILDING WAGES AND HOUSING, 141
Burnley, 63, 64

C.

Cabinet, The, 64, 156, 189-192
"Ca'canny" Policy, 142, 143
Call, The, 58, 59, 120, 151, 153, 187, 188
Canada, 96, 186
Cannan, Edwin, 156
Capital, 11, 18-20, 22, 25, 27, 37, 62, 69, 87, 90, 93, 110, 114, 115, 149-151, 160, 167, 168, 187
Capitalism, 31, 58, 60, 92, 94, 96, 115, 116, 120, 121, 131, 154, 188, 189
Central Europe, 90, 125
Chamberlain, Joseph, 88
Chapman, E. A., 92
Chepstow, 111, 113, 126-128
Chesterton, Mrs Cecil, 93
Chili Nitrate, 44
China, 146
Christian Sccialism, 11, 12
Christianity's Industrial Problems, 10
CHURCH AND LABOUR, THE, 10
Churchill, Winston, 122-124
Civil Liabilities Commisson, 109, 110
Civilian Advisory Boards, 55

Class War, 115, 185, 190
Clay, Henry, 103, 134
Clemenceau, 31
Clementel, 86
Clyde, 27, 30, 58, 63, 92, 96 114, 115
Clyde Communists, 27
Clynes, J. R., 22-24, 157, 191
Coalition Government, 7, 138
Coal Commission, 57, 135, 155, 174, 177, 179
Coal Mines Act, 180
COAL MINING, 177
Cobden, 89
Cole, G. H D., 95
Columbia University, 173
Commons, House of, 31, 73, 74, 86, 117, 119, 121, 127, 128, 135, 149, 170, 186
Communism, 47, 121
Communist, The, 121, 153
Communist League, 121, 153
Communistic League, 182, 183
Comrades of the Great War, 128
Conciliation Boards, 165
Conscientious Objectors, 60
Conscription of Wealth, 95
Corn Laws, 88
Corn Production Act, 8, 44
Cottin, 31
Cotton Control Board, 145
COTTON INDUSTRY AND ITS PROBLEMS, 145
Coventry, 2
Crawford, Earl of, 24, 25
CURRENT ECONOMIC FALLACIES, 66
Czecho-Slovakia, 157

D.

Daily Herald, 59, 60, 63, 90, 119, 122, 131-133, 151, 152, 157, 158, 187 189
Daily Mail, 24, 25
Davies of S. Wales, 189
Dearmer, Rev. Percy, 12
Demobilisation, 82
DEMOCRACY AND HIGHER EDUCATION, 170
Democratie Nouvelle, 31
DEVELOPMENT OF WORKERS' COMMITTEES 114
Direct Action, 59, 151, 154, 160, 189, 191
DIRECT ACTION FOR POLITICAL ENDS, 138
Discharged Soldiers' and Sailors' Federation, 120
DISTRIBUTION OF THE NATIONAL INCOME, 130
District Councils, 77
Division of the Product of Industry, 128, 130
Dorpat, 50
Dumolard, H , 147

E.

ECONOMIC FALLACIES, CURRENT, 66
Economics of Everyday Life, 167
ECONOMICS, PRACTICAL, 37, 70, 100, 134, 166
Edinburgh, 32, 58, 64
Education Act, 170
Egypt, 60
Embargo, 3, 4
Emmott, Lord, 24
Employment Exchanges, 54, 82, 83-85
EMPLOYMENT EXCHANGES, MINISTRY OF LABOUR, 82
Engels, 182
Engineering and Shipbuilding Trades Federation, 113
England, 9, 11, 12, 14, 44-46, 54, 68, 92, 96, 104-108, 148, 154, 171-173, 185
Error of Distribution, 131
Europe, 12, 44, 63, 90, 91, 148, 151, 152, 156, 170, 172, 173, 182-186
Excess Profits, 162, 163
Excess Profits Tax, 126, 176

F.

Fabian Society, 93, 133, 186
FAILURE OF BOLSHEVISM, 50
Federation of British Industries, 86
Fisher, H. A , 170
Flanders, 32
Foch, Marshall, 90
Folkestone Riots, 119
FOOD FOR THOUGHT, 29, 61, 93, 122, 155, 190
Foreign Office, 156
Forward, 30, 152
France, 13, 31, 32, 45, 55, 60, 86, 88, 89, 116, 151, 170, 171, 183, 185, 186, 189
Franco-German War, 185
Frankfort, Treaty of, 86
Free Trade, 86, 88, 89, 156
Freedom, 59, 90, 91
Fry, Rev T C., 12
Fuel Research Board, 43

G.

Gallacher, Wm , 92
Geddes, Sir Auckland, 192
General Election, 62, 74, 138, 140
General Federation of Trade Unions, 112
Geneva, 184. 185
George, Lloyd, 7, 24, 25, 28, 73-75, 90, 95, 155, 190, 191
Germany, 4, 44, 45, 49, 60, 63, 86, 88-90, 93, 96, 125, 145, 146, 152, 153, 155-157, 159, 171, 182, 183, 185, 186
Glasgow, 26, 60, 188
Gore, Canon, 12
Gosling, Harry, 15
Government, 2, 3, 5, 18, 21, 22, 27, 28, 40, 41, 49, 55-59, 61, 62, 64, 73, 74, 76, 86, 87, 96, 99, 111, 113, 119-122, 124, 126-128, 138, 140, 144, 145, 149, 150, 152, 158, 176, 180, 187, 189-191

Guardian, The, 12
Guild Socialism, 47, 69

H.

Hague Congress 1872, 185
Haig, Sir Douglas, 98, 99, 105
Haldane, Lord, 22, 25
Haldane, Dr. J S, 177
"Hands off Russia" Campaign, 188
Hardie, Keir, 185, 186
Harvey, George, 28
Headlam, Rev Stewart, 12
Helsingfors, 64
Henderson, A., 7, 21, 41, 95, 170, 171, 186
Herald, The, 26, 59, 63, 95
Hichens, Robert, 108
Hichens, W L., 191
Hoffmann, 90
Horne, Sir Robert, 18, 192
Housing Bill, 143
Hungary, 60, 63, 153, 185, 188, 189
Huysmans, Camille, 186
Hyndman, H. M., 64, 186

I.

I.L.P., 36, 128, 138-140, 186
Imperial Preference, 87, 89
Imperial Trade, 88
Imperialism, 47, 60
India, 60, 87, 146
Industrial Conference, 18-20, 40, 41, 61, 73, 115
INDUSTRIAL CONSCRIPTION, 2
Industrial Control, 114
Industrial Councils, 21, 149
Industrial Republic, 60
Industrial Revolution, 11
Industrial Syndicalism, 47
Industrial Unionism, 26
Industrial Unionists, 31
INEQUALITY, SOME REFLECTIONS ON, 98
Interim Industrial Reconstruction Committee, 78
INTERNATIONAL, THE, 182
International, 182-186
International Cotton Conference, 148
International Socialism, 151
International Socialist Bureau, 186
International Socialists, 60, 185
International Union of Ex-Service Men, 128
Ireland, 60
Ironfounders' Union, 112
Irving, Dan, 186
Italy, 31, 55, 151, 183, 189
I.W.W., 69

J.

Japan, 145-149
Japan Economique, Politique et Sociale, 147
Jarrow, Sir Alfred, 31
Jews, 124
John Bull, 47
Johnson, T. B., 159
Joint Industrial Councils, 21, 77, 78, 80, 81
Jones, Jack (M.P.), 64
Jowett, F. W., 7
Jugo-Slavia, 60

K.

Kabul, 125
Kapital, Das, 66
Kerensky, 52, 53
Kingsley, Charles, 11
Kun, Bela, 189

L.

Labour, 2-4, 7, 11-13, 18-20, 22-25, 27-30, 37, 39, 46, 59, 60, 62, 69, 73, 75, 87, 91, 95, 101, 112-116, 119-123, 128, 134, 135, 139, 147, 149-153, 158, 160, 167, 168, 184, 187, 190
LABOUR AND AGRICULTURAL POLICY, 7
Labour Exchanges, 83
Labour Gazette, 141, 192
Labour Leader, 57, 60, 138, 151, 153, 187
LABOUR MEMORANDUM, A, 73
Labour Party, 61, 64, 73, 74, 96, 112, 120, 127, 138-140, 151-154, 186
Labour Party Conference, Southport, 138, 151, 152, 154, 157, 188
Labour Party, Principles of the, 133
Lambeth, 12, 50
Lancashire, 145-150
Land for our Fighting Men, 9 (Note)
Lansbury, George, 95, 123
Lausanne, 184
Law, Bonar, 57, 120
League of Nations, 4, 78, 90
League of the Just, 182
Leaving Certificates, 2, 3
Le Bon, 187
Leeds, 45
Lenin, 31, 50, 52, 53, 93, 94, 189
Leninism, 63, 124, 125
Leverhulme, Lord, 25
Liberty, 117, 118
Litvinoff, 96
London, 26, 27, 45, 49, 86, 114, 115, 141, 182-185
London Workers' Committee, 120
Ludlow, 11
Lyons, 31
Lyons Fair, 86

M.

Macara, Sir Chas., 145, 146, 149
Macassey, Sir Lynden, 37
Macdonald, Ramsay, 7, 140, 152, 188
McDermott, W., 158
Macfarlane, Miss Helen, 183
Maclean, Sir Donald, 86

Maclean, John, 58, 60, 64
McManus, Arthur, 91, 154
Mainwaring, W H , 154
Malthus, 70
Manchester, 26, 145, 148-150
Mann, Tom, 58, 191
Manning, Cardinal, 11
Marshall, Dr Alfred, 162
Marx, Karl, 68, 114, 182-184
Marxism, 68, 69, 114-116, 167-169, 182
Masses, The, 31, 120
Maurice, 11, 12
Mazzini, 184
Mersey, 45
Merthyr, 96
Merthyr Pioneer, 90, 96
Metropolitan Police, 64
Millerand, 185
Milner, Lord, 191
Miners' Federation, 15-17, 58, 112
MINISTRY OF LABOUR EMPLOYMENT EXCHANGES, 82
Ministry of Labour, 54-56, 78, 84
Ministry of Munitions, 54
Ministry of Shipping, 127
MINORITY PRESS, VIEWS OF, 26, 57, 90, 119, 151, 187
Minority Press, 26, 57, 90, 121, 151, 152, 187
Money, Sir Leo Chiozza, 69, 128, 130-133, 187
Morel, E. D , 153
Moscow, 50
Moscow Manifesto, 189
Moses, 124
Munitions Tribunals, 3
Murphy, J T , 26, 28, 59, 115, 116

N.

Napoleon, 89
National Councils, 159
National Debt, 102
National Democratic and Labour Party, 7-9
National Dividend, 166
National Guilds League, 66
National Income, 130, 132, 133, 166
NATIONAL INDUSTRIAL CONFERENCE, 18, 40
National Minimum, 39, 44, 47
National News, The, 128, 130
National Transport Workers' Federation, 15-17
National Shipyards, 128
National Socialist Party, 64
National Union of Railwaymen and Firemen, 17, 112
NATIONAL WASTE, 42
Nationalisation, 47, 58, 113
Nationalism, 47
Navy, 85
Nelson, 63
New Orleans, 148
New Statesman, The, 47
New Unionism, 69
New World, The, 128
New York, 148, 185
Newcastle, 45
Newport, 127
Nottingham, 96
Nottingham Conference 1918, 138
Nouveau Christianisme, 11
N U.R , 15, 17, 112

O.

Observer, The, 158
Occupational Census 1911, 131
Odessa, 50, 51, 53
Offensive against Revolution, An, 158
Office of Works, 127
Ohio, 173
ONE MAN BUSINESSES, 48, 109
Organisation, 117, 118
Osaka, 146
Outhwaite, 7
Overseas Trade Department, 87, 156
Oxford, 171, 177

P.

Pacifists, 138
Pan Anglican Conferences, 12
Pankhurst, Sylvia, 57, 120, 153, 189
Paris, 86, 90, 91, 153, 182, 183, 185, 186
Parliament, 7, 59, 73, 81, 99, 113, 121, 140, 152, 154, 187
PARLIAMENTARISM IN INDUSTRY, 78
Paul, Willie, 96, 189
Payment by Results, 142, 143
Peace Conference 90, 91, 125
Peace Treaty, 138, 139, 151-153, 188
Pennsylvania, 172
Penson, Sir Henry, 167
Petrograd, 50, 124
Pigou, A G , 83
Pilgrim Fathers, 173
Platon, Archbishop, 50
Poland, 52, 53, 185
Police Strike, 119
Police Union, 64, 120
Political Economy, 70, 100
Post Office, 16
Pottery Industry, 159
PRACTICAL ECONOMICS, 37, 70, 100, 134, 166
PRINCIPLE OR EXPEDIENCY, 111
Profiteering Bill, 192
PROFITS AND PUBLICITY, 162
Profitsharing, 47
PROGRESS, 117
Proletarian Revolution, 59
Proletarian School, 60
PROPAGANDA, 34
Proportional Representation, 74
Prussia, 171

R.

Railway Clerks Association, 17
Ramsay, David, 31

Ramsay, Sir Wm., 43
Rank and File Movement, 114
Reading, 64
Red Dawn, The, 60
Red Republican, The, 183
Revolution and the State, 93
Ribblesdale, Lord, 22
Riches and Poverty, 131
Rights and Dignity of Labour, 11
Road Transport Board, 45
Roberts, G. H., 24
Robertson, Dr. George, 32
Romanoffs, 52
Ruskin, 11
Russia, 14, 24, 51-53, 60, 63, 92-94, 96, 107, 124, 139, 146, 151-154, 172, 186-189
Russian Revolution, 91, 94, 123

S.

Saint-Simon, 11
Sankey, Mr. Justice, 57, 177
Scotland, 30, 154
Shaw, G. Bernard, 192
Sheffield, 26, 115
Sheffield Worker, The, 26
Shop Stewards' Committee, 28
Shop Stewards' Movement, 114, 154
Shortt, 119
Simferopol, 50
Sinn Feiners, 60
S.L.P., 69, 187, 189
Smillie, Robert, 15, 59, 61, 140, 157
Smith, Adam, 7, 88
Smith, Sir Allan, 21, 41
Snowden, Philip, 133, 138, 140, 188
Spain, 63, 183
Spartacism, 63
Social Democrats, 93
Social War, 59, 154, 188
Socialism, 11, 12, 27, 47, 60, 69, 93, 94, 154, 189
Socialism and Syndicalism, 133
Socialist, The, 27, 28, 57, 59, 91, 101, 116, 151, 154, 187, 189
Socialist Republic, 152, 188
Socialists, 47, 60, 91, 112, 134, 169
Soldiers' Councils, 189
Solidarity, 58, 92
SOME RECENT APHORISMS, 22
SOME REFLECTIONS ON INEQUALITY, 98
Sorbonne, 171
South Africa, 162
South America, 148
South Wales, 96, 115, 178, 189
South Wales Miners' Federation, 5, 154
Southport, 121
Southport Labour Party Conference, 138, 151, 152, 154, 157, 188
Soviet Control, 92
Soviets, 94, 96, 154, 189
Stamp, Dr J C., 128, 130
State, 9, 18-20, 23, 32, 38, 39, 47, 58, 72, 82, 84, 87, 93, 94, 98, 99, 109, 112, 113, 122, 124, 126, 136-138, 140, 157, 158, 170-172, 180, 181
State Control, 58, 181
STATE CONTROL AND THE COST OF PRODUCTION, 174
Steel-Maitland, Sir A., 156
Sunday Chronicle, 133
Sweden, 182
Sydenham, Lord, 32
Syndicalism, 63, 64
Syndicalists, 69

T.

Tanner, Frank, 153
Tariff Reform, 88, 156
Textile Recorder, 146
Thomas, J H., 63, 191
Times, The, 22, 47, 156, 185
Toiling Masses, To the, 31
Tokio, 146
Tolstoy, 105
Toynbee, Arnold, 11
Trade, Board of, 82, 156, 192
Trade Boards, 78
TRADE POLICY, IMPERIAL AND INTERNATIONAL, 86
Trade Union Congress, 61, 111-113, 120, 151
Trade Unionism, 2, 4, 59, 66-68, 111-116, 120
Trade Unionists, 14, 22, 23, 26, 27, 66, 73, 83, 112, 114, 139, 191
Trade Unions, 3, 5, 15, 23, 25, 26, 40, 57, 74, 75, 112, 113, 116, 126-128, 138, 139, 168, 169, 185, 191
Trades and Labour Councils, 139, 189
Transport Workers' Federation, 15-17
Transvaal War, 88
Treherbert, 154
Trevelyan, Charles, 152, 153
TRIPLE ALLIANCE, THE, 15
Triple Alliance, 4, 15, 17, 57-59, 61-63, 92, 112, 120, 191
Trotsky, 31, 50, 189

U.

United Kingdom, 6, 88, 102, 171
United States, 25, 31, 60, 89, 96, 144, 148, 149, 170, 172

V.

Vandervelde, Emile, 186
Victory Loan, 158
Vienna, 186
VIEWS OF THE MINORITY PRESS, 26, 57, 90, 119, 151, 187

W.

Wales, 154
Wales, South, 96, 115, 178, 189
Walk, 50
War Office, 122, 187
Watson, W. F., 26, 31, 115
Webb, Sydney, 93, 111, 133
Weishaupt, 68
Westcott, Bishop, 12
Whitehall, 128
Whitley Report, 20, 21, 42, 64, 77, 78, 81, 114, 115, 165
Wilkie, A., 113
Williams, J. E., 15
Williams, Robert, 15, 59, 61, 140, 188
Wilson, Colonel Leslie, 128
Winchester, Bishop of, 10
Winnipeg, 96, 120
Woolwich, Bishop of, 10
Worker, The, 28, 92, 154
WORKERS' COMMITTEES, DEVELOPMENT OF, 114
Workers' Committees, 26-28, 63, 64, 77, 114, 115, 121, 154, 165
Workers' Dreadnought, The, 26, 57, 120, 189
Workers' Socialist Republic, 57, 189

Y.

Yaroslav, 50
Yokohama, 146
Yorkshire Miners' Strike, 187

Z.

Zurich, 185

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Page 24, line 20, for "I" read "In"

Page 26, line 13, for "London, Belfast and London" read "London, Belfast and Glasgow"

No. XIX

MARCH

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"The times are too big to warrant
small motives."

—*Theodore Roosevelt.*

INDUSTRIAL PEACE

CONTENTS

Industrial Conscription

Labour and Agricultural Policy

The Church and Labour

The Triple Alliance

The National Industrial Conference

Some Recent Aphorisms

Some Views of the Minority Press

Food for Thought



INDUSTRIAL PEACE

INDUSTRIAL CONSCRIPTION.

If the term "industrial conscription" means anything at all, it means compelling a person to work or to refrain from working under conditions which are determined, not by the exercise of his or her free choice, but by the operation of some superior authority.

Some months ago a considerable outcry was raised on the score that the Government intended to introduce industrial conscription. The particular form which this compulsion was to take, to whom it would be applied, and to what extent it would be enforced, was never very strictly defined; but shop stewards worked up a good deal of excitement on the subject, especially in Coventry, and men were advised to resist its advent to the uttermost. It is not difficult to understand the instinctive hostility with which such a suggestion was regarded by the workers. Many restrictions on personal liberty had been introduced during the war, and imagination ran riot at the mere mention of the phrase "Industrial Conscription." To some a picture presented itself in which engineers would be marched to their work under military discipline, and forced to follow their trade at military rates of pay. By others the fear was expressed that a conspiracy was on foot which would destroy the whole fabric of Trade Unionism, not only during the war, but in perpetuity. Others, again, professed to believe that it was intended to organise a corps of blackleg strike breakers with the object of intervening in industrial disputes. Needless to say, such fevered forebodings were rather the result of suggestion and of adroit exploitation than the product of any sound process of reasoning, but there was, nevertheless, some tangible excuse for a certain amount of nervousness. The industrial power of Labour depends largely on mobility, and every workman is jealous of his right to pick and choose between jobs and between employers. Economic pressure may make it difficult, even impossible, for a man to indulge his taste for change of employment, but there is all the difference in the world between being unable to alter a situation because it is inevitable, and putting up with it at the dictation of a third party.

The introduction of the Leaving Certificate in 1915 smacked of the latter alternative, and was unpopular on that account,

although in point of fact the restriction on mobility was always waived by Munitions Tribunals on appeal, provided that the aggrieved person could show any reasonable cause for complaint that the consent of the employer had been withheld unreasonably. The " Leaving Certificate " was a war measure, pure and simple, and although the Trade Unions had agreed to its introduction, it could not survive in the face of organised hostility, and so it departed this life on October 15th, 1917, unmourned, except, perhaps, by its own parents.

The next bogey to cause a flutter was known as the " Embargo." This restriction, as our readers will remember,* owed its inception to an attempt on the part of the Government to prevent employers from monopolising more than their fair thare of skilled labour. It was conceived in what was believed so be the common interest, and it is improbable that anybody anticipated the reception which awaited its introduction. Employers have come to be looked upon as fair game for experiment, and they might have protested till they were black in the face and nobody would have taken much notice. As things turned out, however, the boot was found to be on the other leg, and it was Labour which had the grievance, and quite a legitimate one, too. Just as the workman insists upon the right to leave uncongenial employment, so also does he claim to sell his services in the best market, and small blame to him if he hustles a bit in his determination to secure a front seat in the theatre of industry. There is, however, one comment on this attitude which is not inopportune at the present moment. We refer to the marked contrast between the point of view taken by the spokesmen of militant Labour, according to whether the contention at issue is put forward by themselves or by those whom they are determined to consider as " class " enemies. In their opinion, apparently, " hustling " is to be commended if it injures the boss—but to be condemned if it interferes with " solidarity." A rush for the more highly-paid jobs is legitimate when the object is to defeat a Government measure such as the Embargo, but " ca' canny " is the order of the day when limitation of output is detrimental to the employer. In other words, either individualism or solidarity is good sauce for the goose, provided always that it is not sauce for the gander. Brotherly love is inculcated when it injures the other fellow, but it loses much of its virtue when it ceases to form an integral part of the fighting policy of the

* The pros and cons of the abolition of Leaving Certificates were discussed in INDUSTRIAL PEACE for December, 1917, and the question of the Embargo was examined in some detail in September, 1918.

moment. As a generator of hot air, the Embargo controversy was of passing importance, but, for the rest, the matter was quietly dropped, and this component of alleged industrial conscription followed its relative to the limbo which unbaptised infants were once supposed to inhabit.

Like everything else in this imperfect world, Trade Unionism has its shortcomings as well as its merits. Upon the latter there is no need to expatiate, for everybody acknowledges the debt which Labour owes to the principle and practice of combination. When, however, we come to analyse this question of industrial conscription, we shall find it difficult to avoid the conclusion that the essence of effective Trade Unionism resides in its power to coerce the individual in the interest, real or supposed, of the majority of his associated comrades. There are three stages in the development of human society. In the first stage, the crude advantage of supplanting a rival is obvious and elementary. In the second stage, the lesson is learnt that unity is strength, the group prevails against the individual, the stronger group against the weaker, and the combination of groups against the group which stands alone. But as yet the lesson has been learnt only in part, for whilst much is gained by combination, more is lost by dissension. This truth has been revealed in startling fashion, and on an immense scale, by the great war. The unification of the German Empire was a sectional achievement of the first magnitude, but it brought disaster in its train because it sought to dominate the whole world by force. Now at last we know that there is a third stage, and that, in international politics at any rate, the interest of the whole transcends the interest of the part, and that is why, sooner or later, there is going to be a League of Nations to compel even the strongest group to remember the obligations which it owes to its neighbours.

In the fields of British industry, however, we are only in the second stage. The third lesson is still unlearnt. Sectional amalgamation is all the vogue, and strong combinations, such as the Triple Alliance of Miners, Railwaymen and Transport Workers, are tempted to flatter themselves that they can coerce the individual until the machine is invincible, and, when this is accomplished, that they can proceed to dominate the country and impose their will upon a prostrate nation. May the example of Germany serve as a warning against any such false deductions. Initial advantages they may secure, but, in the long run, history will repeat itself, and a majority, called into being, like the Grand Alliance, by the stress of a common and imminent danger, will arise and overthrow

those who would usurp sovereign power in the interest of a minority—formidable though it may be.

But while Trade Union leaders are still enlisting voluntary forces to fight the Government and the employer in what they believe to be the interest of "the workers," the rank and file are themselves planning to pit their strength against their leaders, to overthrow them and to "*enable* the men . . . nay, *compel* them, to take the supreme control of their own organisation." The Unofficial Reform Committee of the South Wales Miners' Federation has detailed a scheme of reorganisation on lines which will "enable the new spirit of democratic control to manifest itself." Dissatisfied with the conciliation work of the last nineteen years, the Unofficial Committee have decided that there is a necessary and inevitable antagonism of interest between leaders and the rank and file. You can't cure the leaders; they are the inheritors of original sin. The only remedy is to abolish them and let each man be the sole arbiter of his industrial destiny. Industrial anarchy, you say? Well, it certainly looks like it, but the originators of the scheme have labelled it "democratic control," and after an impartial examination of the outlines of the proposal, we have come to the conclusion that "Industrial Conscription" is the term which most accurately describes its policy and constitution.

The Committee's ultimate objective is to form an "organisation to cover the whole of the coal, ore, slate, stone, clay, salt, mining or quarrying industry of Great Britain, with one Central Executive." "The working class, if it is to fight effectively, must be an army, not a mob. It must be *classified, regimented and brigaded,* along the lines indicated by the product. Before an organised and self-disciplined working class can achieve its emancipation, it must coalesce on these lines." And the Committee lay it down that it must be a cardinal principle of the organisation "that every man working in or about the mine, no matter what his craft or occupation, be required to both join *and observe its decisions.*" The funds and administration of the organisation are to be centralised, but "all power of legislation shall remain in the hands of the members, through the Lodge and the ballot vote. Unfortunately—or fortunately, in the interests of industry—the Committee have thought fit to illustrate the working of the constitution by the following example, which discloses the "worm i' the bud":

"To illustrate the working by a given case, we will take a dispute at a certain colliery. A seam has been opened out,

and the employers wish to have a price list fixed upon it. The men consult and decide either to continue working it upon the basis of the minimum wage, or draft a price list which they consider will be of advantage to them. The Executive take up the conduct of the negotiations only when the Lodge has failed locally, or at their request. They have no power to vary the demands of the men. An agent is sent who will have all information relating to this particular seam, and who will be able to detail what conditions obtain in connection with it elsewhere. If he is, as he should be, an expert in negotiation, he obtains the utmost the employers are prepared to concede. If this is satisfactory to the men, well and good; if not, he reports back to the Executive, who, in conjunction with the Conference, decide what action shall be taken. Thus the workmen decide the principle, the Executive carry it out. The agent provides information and negotiates. The Conference finally ratifies or disapproves."

The position apparently is that if the agent fails to satisfy the men, they refuse his advice, and Conference acts as compulsory arbitrator. The workmen decide the principle, but Conference decides whether they shall apply it or not. Conferences consist of delegates from all the Lodges. The assumption is that every time the miners in any colliery, however small or remote, have a grievance to be settled, some two million miners and quarry workers throughout the United Kingdom will assemble, go carefully into the rights and wrongs of the case, conscientiously vote upon it, and give their delegate his mandate. Neither political, municipal nor industrial history warrants the assumption that anything of the sort can or will happen. Power will inevitably fall into the hands of a few who will control Conference and dictate a policy which may be good or may be bad, but which will most certainly be evolved and dictated by leaders. Leadership is inseparable from organisation of any sort. The more complete the organisation the greater the discipline required. Obedience to a general will, vested in a duly appointed authority, is a *sine qua non* of the social organisation. We are all " conscripted " in our several walks of life, and in attempting to avoid his obligations to all other sections of the community by forcibly imposing the will of the " one big union," the industrial worker should realise from the outset that, so far as the individual is concerned, he is only exchanging one type of control for another; that the leaders of the new order will be as faulty as those of the old, only the organisation vaster, the sway of the leaders more absolute and despotic. " My father chastised you with whips, but I will chastise you with scorpions."

LABOUR AND AGRICULTURAL POLICY.

MUCH interest attaches to the "Rural Programme" drawn up and adopted by the National Democratic and Labour Party, not merely on account of its intrinsic merits, but because it emanates from a group of members in the new Parliament whose influence is likely to be far greater than their present numbers might seem to warrant. They form the political spear-head of the British Workers' League, and the fact that four of them have succeeded in capturing the seats previously held by Messrs. Arthur Henderson, Outhwaite, Jowett, and Ramsay Macdonald, constitutes no ordinary claim upon the attention, if not the gratitude, of the British public. They represent, moreover, that section of Labour which, whilst entirely loyal to the interests of the workers, condemns class warfare, and believes that the future of the country must be based upon the co-operation of every patriotic democratic element." In pursuance of this faith they are prepared to give a general, but conditional, support to the Coalition Government, and it may safely be assumed that their views and representations will command the special interest and attention of Mr. Lloyd George and his Cabinet.

This alone would entitle any considered pronouncement by the National Democratic Party to our respectful consideration, but their "Rural Programme," like good wine, needs no bush and stands on its own merits. Incidently it shows both wisdom and tactical flair on the part of the new group to have adopted this subject as the first plank in their fighting programme. There is no policy which is of greater importance to the class which they represent, and it is highly significant that they should be the first, and only one, of the political parties to nail it to their masthead.

The programme itself starts off on the right note. It recognises, with Adam Smith, that "defence is of more importance than opulence," and places national safety in the forefront of its objects. In this report, and indeed all through, it exhibits a wise sense of proportion, as is shown by the following sequence of principal headings: Housing, Credit, Agricultural Labourers' Unions, Co-operation, Maximum Production, Improved Transport and Marketing Facilities, Government Control.

Space will not permit of a detailed examination of these various items, nor is it necessary at this stage, but in many directions the framers of the programme have shown a refreshing

breadth of view and no small political courage. This is notably the case in the following selected extracts :—

"Agriculture is incontestably an industry essential to national safety and well-being; therefore, this great industry must be so reconstructed and revivified that all concerned therewith shall receive fair remuneration, and work and live under proper conditions."

In advocating an extension of the Smallholding and Allotment movement :

"The aim should be for the largest possible proportion of consumers of food to be also producers of food . . . this will also tend to increase the bond of sympathy between the townsmen who work land and the rural land workers."

This last is a point of immense importance because nothing has, in the past, so much injured agriculture and its bearing on national defence as the misunderstanding, and even hostility, which had grown up between town and country. This was a sore which the average politician did little to heal, but under the stress of war the proverbial "touch of nature," in the guise of wealth conditions which hit the urban allotment and the farm alike, has helped to "make the whole world kin."

The programme goes on to advocate "the full use of the land" and maximum production, "so that the nation shall never again be dependent upon sea-borne food to the extent that it has been in the past." But it adds as a corollary—and here the political courage of the framers shows itself—"there is one basic law which must be obeyed—namely, that the producer shall receive fair remuneration for his produce." This condition, obvious and fundamental though it be, is nearly always shirked by politicians in search of urban votes, and it has been left to the National Democratic Party to face it thus fairly and squarely. Without it—*i.e.*, without some form of State guarantee, such as is provided in the Corn Production Act of 1917—the production of home-grown food on a large or adequate scale becomes an economic impossibility, and to talk of placing soldiers and sailors on the land under pre-war conditions would be to invite them to embark on an enterprise which could only end in failure and ruin. Prices must not be permitted to rise above a reasonable figure, or the consumer will have a grievance; but unless the price provides a reasonable profit for the producer and a fair wage for the worker, there will be no production at all and the consumer will become wholly dependent upon food from overseas.

The programme, however, does not leave the matter there.

It recognises that State Aid involves a measure of State control, and the National Democratic Party concluded its remarkable outline of a new agricultural policy by insisting that the Government shall "see that the soil is cultivated in the national interest, and not solely in the individual interest." That, too, is fundamental, if not popular with farmers.

There are many other points of great importance and interest in the twenty paragraphs of the "Rural Programme," which, to do it justice, should be read in its entirety; but enough has been said to show that, in this matter, the National Democratic Party has given a strong and sane lead, and that it deserves the support and encouragement of all who regard the "Land Settlement" as perhaps the most vital and urgent of reconstruction problems.

The practical difficulty of carrying out any rural programme is largely one of finance and a sound scheme for overcoming this is put forward by the "British Empire Land Settlement League," which was formed to encourage the placing out of soldiers and others on the land. The League advocates the establishment of Agricultural Banks, the objects of which would be:—

(*a*) To finance intending purchasers of land;

(*b*) To keep the current accounts of these purchasers;

(*c*) To be a central institution for all moneys available for mortgage;

(*d*) To apply the principle of the Public Trustee to the moneys of those who wish to invest in land;

(*e*) To employ a staff of legal and agricultural experts to answer all inquiries about land;

(*f*) To give clear permanent titles;

(*g*) To purchase in bulk agricultural machinery and stores;

(*h*) To organise communication and transport.

"A numerous population on the land is vital. Much of our best manhood has gone down in the war, and it can only be replenished from the countryside. The more our land is divided, and the more it is intensively cultivated in small plots, the greater the supply of food from a given area. We could easily feed ourselves if we wanted. And nothing makes a nation so stable in times of unrest as a large number of men secure on their own plots of land. If there were a million people owning England instead of a few hundred, you would never have a revolution here. Bolshevism and anarchy would make no headway if we had such a sheet-anchor."*

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* *Land for our Fighting Men.* British Land Settlement League, 28, Portugal Street, E.C. 4. 2d.

THE CHURCH AND LABOUR.

UNDER the title of *Christianity's Industrial Problems* the last of the five Committees of Inquiry appointed by the Archbishops has recently presented its report, which is in many respects a striking document. The enquiry was undertaken for the purpose of examining "the ways in which the Church may best commend the teaching of Christ to those who are seeking to solve the problems of industrial life." That some such attempt to apply the ethical principles of the Christian religion to present conditions of social unrest is overdue is acknowledged by the Bishop of Winchester in his introduction to the report. He confesses that the Church has in the past shown undue consideration to the possessing, employing and governing classes, and attributes this attitude to lack of faith. To Churchmen who have long deplored the icy alienation of the Church, as an institution, from the aspirations of the British working classes this *mea culpa* note is welcome evidence of an impending change.

At a recent Diocesan Conference the Bishop of Woolwich declared that the mass of the people regard the Church as "the hereditary enemy of working-class ideals." The truth of this declaration will be disputed in many quarters, and for our part we do not believe that "the mass of the people" have arrived at any conscious decision on the subject, one way or another; but there is no denying the fact that a considerable section of militant working-class opinion would agree with the Bishop. Hitherto the Church, in so far as it has dealt with the material needs of the people, has limited its actions to charitable doles to its neediest parishioners. Its failure, as an organisation, to make any whole-hearted attempt to remedy, rather than to alleviate, the intolerable social conditions with which it has always been in closest contact has done much to obscure the value of the unselfish and devoted work of many individual servants of the Church. If, in the agricultural districts, "the parson" is cited with "the squire" as representative of interests inimical to labour; if, politically considered, he stands, as many hold, for a narrow and purblind conservatism, the blame must be attributed, not to the individual (more frequently than not beloved and revered by those to whom he ministers), but to the Church, which has shirked the necessity for instructing

its pastors in the economic possibilities of the social *milieu* into which it is their mission to bring more and more light. In the towns the association between Church and Capital is proclaimed by a class-conscious proletariat. Though the incumbent of a city parish may, and generally does, win the esteem of his flock, the triumph is a personal one, not often extended to the institution he represents. Behind the parson's popularity looms the Church, often suspected as a menace to the people's hopes, seldom regarded as an ally upon whose support they can count, and even when its spiritual direction is accepted, its social and political teaching is repudiated. On Sundays the Church has a diminishing claim on the thought of the working classes; the other six days escape its influence altogether.

This is all the more deplorable because the Socialist movement in Great Britain is not, as it is on the Continent, definitely allied to anti-Christian propaganda. The sentiment of hostility to the Church is not, as a rule, the outcome of antagonism to Christianity. Before the war the spread of rationalistic ideas among the educated and professional classes left the mass of the people practically untouched. Their filtration downwards was necessarily slow in a country where all classes are refractory to new ideas. The mentally lethargic and politically free Englishman is far less easily tempted to follow after strange gods than either the responsive Latin or the logical German. In the average British working man indifference to the doctrines of Christianity has not hitherto bred curiosity as to new forms of belief. Signs are not wanting, however, that such indifference as existed before the war will fail to survive an experience that has stimulated the individual as well as the national consciousness to an unprecedented extent. Nor is there any reason to suppose that the revival of spiritual life which the trenches have witnessed will induce men who have risked their lives for liberty to revert to any form of dogmatic theology.

This divorce between the State-established Church and organised Labour is a phenomenon which dates from about the beginning of the present century. Saint-Simon's *Nouveau Christianisme* was published in 1825. At that time Socialism was a recognised production of Christian faith. In 1850 Kingsley, Ludlow and Maurice were its high priests in England. Arnold Toynbee's *Industrial Revolution* was written in 1884, and Cardinal Manning's *Rights and Dignity of Labour* in 1887. All through the 'nineties the exponents of Christian Socialism—Ruskin greatest of all—bore eloquent witness to

the faith that was in them. Bishops Barry and Westcott, the Dean of Ely, Canons Gore and Barnett, besides the Revs. T. C. Fry, Stewart Headlam and Percy Dearmer, gave, through the medium of countless books and pamphlets, the Church's blessing to Christian Socialism. All these dignitaries and ministers endorsed Maurice's dictum that " Christianity is the only foundation of socialism, and that a true socialism is the necessary result of a sound Christianity." That was the period of the Pan-Anglican Conferences, which met at Lambeth in 1888 and again in 1897, and whose pious aspirations were embodied in an Encyclical which declared that " the Christian Church is bound, following the teaching of her Master, to aid every wise endeavour which has for its object the material and moral welfare of the poor."

If, since the dawn of the twentieth century, Socialism, as a class movement, has wandered far from ideas of orderly brotherhood and wise endeavour, the gradual withdrawal of the Church from the position of " guide, philosopher and friend " to Labour is at least partially responsible. Instead of seeking in the spiritual life of the people a bulwark against the destructive criticism of the " intelligentsia,' the Church has more and more entrenched itself behind the principle of authority, and as the influence of obscurantism has waned in the world, the influence of the Church on the springs of national progress has waned with it. Fearing to be carried away by the torrent of new ideas, the bishops and clergy—with certain exceptions—have refrained from any attempt to direct it into channels where it might regenerate the foundations of the social organism. The same pusillanimous shrinking from contact with forces it felt itself too weak to control dictated the negative attitude adopted by the Church in August 1914. At the moment when the calamity of war seemed about to fall upon Europe the Church retreated upon a policy of " wait and see." And when the hour which set Christendom aflame had struck, did the Church of England hasten to bring to the aid of the champions of liberty the spiritual sustenance of which it is the depository ? On the contrary, according to a writer in a recent issue of *The Guardian*, who calls himself " A Man from the Front," the Church was so blind to the realities of the situation that " certain bishops even refused the applications of incumbents to go out to France and other centres of battle as chaplains and hut-workers. ' Your first duty is to your parish,' one applicant for a chaplaincy was told. Another, seeking permission to go to a Church Army Hut, was asked ' What

good do you think that will do ? You will only be a glorified sort of bar-tender ! ' " " As an institution," this writer goes on to say, in response to the question, " What has the Church done in the war ? " " the Church has done nothing. Her priests have given their services, in many cases their lives ; but this has been rather the effort of the individual than of the Church itself. So aloof has she remained, so removed from the bloody actualities in France, that many of her priests have had to choose between the sacrifice of their livings and what they considered to be their duty to their country." Such indifference to the vital issues involved in the war is but the sequel to the indifference hitherto manifested by the Church to the evolution of the human spirit during the years which immediately preceded it. Little by little she abandoned to the politicians such problems as the social condition of the people and the emancipation of women. What they have gained, they have gained without her help, almost without her sympathy.

To-day, even if the report of the Archbishops' Committee is the precursor of radical reforms in ecclesiastical policy, the Church has an immense leeway to make up. Not all the reports in the world will convince Labour that the Church is sincere in condemning, as " definitely anti-Christian," the doctrine " that a man is free to do what he likes with his own, and that all men are justified in following their own pecuniary interests to the fullest extent allowed by law." If the Church really believes that unrestricted individualism in the conduct of industry tends " to the subordination of the religion of the spirit to the religion of gain," it will only recover the confidence of the working-man by acting up to that belief. It must begin by setting its own house in order. Its wealth must be distributed on a more equitable basis than it is at present. Too many of its ministers are overworked and underpaid. Economically its position is unsound, while such political power as its Lords Spiritual possess has too often been used for purposes of obstruction.

Another way in which the Church might be drawn into closer contact with the life of the people is advocated in one of the most interesting chapters of the report. In defining the attitude of the Church towards education, it presses for an extension of continuation classes on principle, and also on the ground that such an enlargement of educational opportunities would contribute to the " eminently desirable " result of recruiting the ranks of the ministry from the labouring classes in a much larger degree than is possible to-day. Though the

Church has ceased to be a refuge for the younger sons of aristocratic families, it is still a preserve for the professional classes Democratisation would not only bring an infusion of new blood into the priesthood, but would inevitably bring it closer to the heart of the people.

The fourth section of the report deals with urban life and industry. It stigmatises the fundamental evil of modern industrialism as encouraging "competition for private gain instead of co-operation for public service." In pursuance of this latter ideal, it urges that in a Christian community the obligation to work is incumbent on rich and poor alike; that the worker should be guaranteed an adequate living wage and, above all, continuity of employment. It repudiates both the payment of excessive profits to capital and the practice of "ca' canny." To such sentiments few employers and no genuine Trade Unionists are likely to take exception to-day.

But more than sentiment is required if the Church of England is to co-operate effectively with these elements in all classes of the community that are now working "to create a better Britain," free alike from capitalistic oppression and Bolshevist tyranny. If the Archbishops and Bishops are prepared for regeneration in deed as well as in word, the Church has to-day an opportunity of becoming once more a living force in the life of the nation. We stand at the parting of the ways. On the one hand is the possibility of directing the seething energy and passionate hopes liberated by the great solvent of war, towards the orderly evolution of a fairer and a freer existence for every citizen. On the other hand stands the spectre of revolution, which would involve the worker, even more surely than the employer, in the misery and anarchy of which we have an example in Russia. The "lamentable failure" of the Church's past policy stands confessed in the report of this Committee. Its frankness leads one to hope that the Archbishops will pass from this comminatory exercise to the reconstructive work which awaits them.

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THE TRIPLE ALLIANCE.

So much has been said recently regarding the Triple Alliance that it is important that it should be placed on record just what this organisation is, what it stands for, and how far it has been successful in its operation.

The idea of the Triple Alliance was first mooted at the Miners' Annual Conference in 1913, when a resolution was passed: "That the Executive Committee of the Miners' Federation be requested to approach the Executive Committees of other big Trade Unions with a view to co-operative action and the support of each other's demands."

The Miners contented themselves in the first place with securing a joint meeting with the representatives of the two industries most comparable to their own—railways and transport. The first meeting of the three Executives was held in April 1914. It resolved that a working agreement should be drawn up, and appointed a Committee consisting of Messrs. Robert Smillie and T. Ashton for the Miners' Federation, Albert Bellamy and J. E. Williams for the National Union of Railwaymen, and Harry Gosling and Robert Williams for the National Transport Workers' Federation.

Under the constitution drawn up by this Committee, the Triple Alliance cannot act unless all parties are unanimous. This, of course, is of great importance, progress by unanimity being obviously more difficult than progress by a bare majority.

During the period of the war, the Triple Alliance apparently suspended its activities, and, although the Committee could easily have been called together, there appears to be no record of any joint action until the meeting recently convened after the commencement of the negotiations regarding hours, wages and working conditions now proceeding between the Government and the three parties in the Alliance.

The Miners' Federation embraces the whole of the separate sectional miners' Trade Unions in Great Britain. These are the following miners' associations :—

Northumberland, Durham, Cumberland, Yorkshire, Lancashire and Cheshire, Derbyshire, Nottinghamshire, Bristol, Leicestershire, Forest of Dean, Somersetshire, South Derbyshire, Kent, North Wales, South Wales, Midland Federation, National Union of Miners, Scottish Mine Workers, and the Cleveland (Ironstone Miners). Each separate Miners' Association has complete local autonomy. Each sends its delegates to the Executive of the Miners' Federation, and the Federation decision on all national questions affecting the whole of the

miners must proceed by unanimous vote. This explains why there are constant sectional miners' strikes on small points and local grievances. In such cases the sectional miners' association assumes full responsibility and sees the thing through, referring only matters of general principle and importance to the Miners' Federation of Great Britain.

The Transport Workers' Federation is composed of the following organisations :—

Amalgamated Union of Engine and Crane Men, Boiler Firemen and Wire Rope Makers.

Amalgamated Society of Salt Workers, Salt Rock Miners, Alkali Workers, Mechanics, and General Labourers.

Amalgamated Society of Watermen, Lightermen and Bargemen.

Amalgamated Stevedores' Labour Protection League.

Cardiff, Penarth and Barry Coal Trimmers' Union.

Dock, Wharf, Riverside, and General Workers' Union.

Glasgow Ship-Riggers' Protective Association.

Hull Seamen's Union.

Labour Protection League.

London and Provincial Union of Licensed Vehicle Workers.

Mersey Quay and Railway Carters' Union.

National Amalgamated Labourers' Union.

National Amalgamated Union of Enginemen, Firemen, Mechanics, Motormen and Electrical Workers.

National Amalgamated Union of Labour.

National Sailors and Firemen's Union.

National Union of Dock Labourers.

National Union of Gas Workers and General Labourers.

National Union of Ships' Stewards, Cooks, Butchers and Bakers.

National Union of Vehicle Workers.

National Warehouse and General Workers' Union.

North of England Trimmers' and Teemers' Association.

North of Scotland Horse and Motormen's Association.

Scottish Horse and Motormen's Association.

Scottish Union of Dock Labourers.

United Carters' Association of England.

United Order of General Labourers of London.

United Society of Boiler Scalers and Stokehold Labourers.

Weaver Watermen's Association.

Some of the above are numerically very strong, others have not many members, but united they control, for all effective purposes, the whole of the transport workers of the country outside the railways and the Post Office.

The National Union of Railwaymen is itself an amalgamation of several trade unions that used to cover the whole of the railway service. Although it has managed to absorb almost all other organisations and represents at least four-fifths of the whole of the workers on the railways, there are two highly organised and important societies which have refused amalgamation with the N.U.R., and do not, therefore, form part of the Triple Alliance. These are the National Union of Enginemen and Firemen, whose membership includes a large proportion of the engine drivers and stokers, and the Railway Clerks' Association, which controls all grades of the clerical staffs of the railways, up to and including many of the station-masters.

Numerically the Triple Alliance is at least a million and a half strong. The Miners' Federation has a membership of 800,000, the N.U.R. 400,000, and the Transport Workers nearly 300,000, and, given the vital nature of their work, it would undoubtedly be possible for them, acting in complete unanimity, temporarily to hold up industry. However, national action on an agreed programme presents many difficulties. Take, for instance, the present question of the demand for shorter working hours. The miners want a thirty-hour week, the transport workers a forty-four hour week, while the railwaymen would be content with a forty-eight hour week. Wage demands, again, are essentially different, and only two of the three organisations are at the moment asking for nationalisation.

The Triple Alliance will undoubtedly come into greater prominence in the near future. So long as the demands put forward by any or all of the sections combined are just and equitable, and do not ignore the national situation and the needs, desires and opportunities of the rest of the people, the Alliance may count on the support of the general public. On the other hand, if the country is to be faced with a new type of " bully," and numerically strong trade unions are going to attempt to use the strategical advantage which their control of vital industries appears to give them, placing themselves morally in line with those profiteers they have spent so much time in execrating, they will find that the only force which finally prevails is that of justice sanctioned by public opinion. As in Belgium, where during the last few years the public has had to face not merely a sectional strike such as the Triple Alliance could organise, but national strikes of the whole of the workers, the people will take what steps are necessary to protect themselves from this new menace, and, like the Belgian public, will ultimately beat their opponents every time.

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THE NATIONAL INDUSTRIAL CONFERENCE.

In opening the National Industrial Conference at the Central Hall on February 27th, Sir Robert Horne rightly characterised the convention as a thing unparalleled in British history. For the first time in this country the Government convened a meeting of employers and employed, representative of nearly every industry in the State, for the purpose of enabling them to thrash out their fundamental differences and find some means of avoiding an industrial war which might well prove to be a national disaster.

It may be said at once that the first meeting of the Conference fully justified the action of the Government in convening it. The Government had no scheme to place before the Conference; it seemed not unlikely that the differences between Capital and Labour might readily be widened by the plain speaking that was bound to arise; and it seemed equally unlikely that the Conference would lead to any practical results—and an abortive conference could not do otherwise than increase industrial suspicion and unrest. But events proved that the misgivings were unfounded. They proved that the Government had adopted the wiser course in leaving the representatives of Capital and Labour free to think out and to propose their own way of dealing with the grave problems which had arisen; and they proved, further, that deep down in the whole industrial world there is a clear perception of the gravity of the present industrial situation and a genuine desire to bring about a better understanding and an effective and constructive co-operation between employers and employed.

Perhaps the principal factor in the positive results of the Conference was the clear recognition on all sides that its real function was to deal not with a temporary crisis, but with the question of the permanent reconstruction of the industry of the country. If the Conference had only sought to find a solution for a temporary problem it would have made a fatal blunder. It might successfully have solved that temporary problem, but sooner or later—and probably at no distant date—the fundamental problem would again have arisen in a still more complex and menacing form. The Conference recognised that industrial unrest and Labour's demands for shorter hours, for a higher standard of life, and for a larger share in the control of industry, were not new and transient elements in the industrial world. It recognised that these elements were becoming more and more prevalent and assertive before August 1914, and that the present position was not

wholly to be accounted for by war, rattled nerves, or the machinations of Bolshevik agitators. The war, and the sudden cessation of the war, have only quickened a process and developed a situation which were already in being. It was generally recognised, therefore, that the prime function of the Conference was to find some means whereby the industrial problems, upon the solution of which the industrial, social, and political future of the country so largely depends, might be examined by Capital, Labour, and the State, and a sane and practicable programme of industrial reconstruction evolved.

This larger function was, it is true, neither indicated nor helped by some of the speeches that were delivered. There were, at times, far too much mere recrimination, and far too much mere assertion of demands which, however right in themselves, require careful and comprehensive investigation if the full concession of them is not to prove disastrous alike to those who give and to those who receive. There was, also, somewhat too much timidity expressed in certain speeches with regard to the demands of labour—a little too much deprecation of the desire of labour to fill a larger and more controlling position in industry. And there was, too, a little too much of the old spirit which asserts that the State should have nothing to do with the organisation of industry and with the relations of employers and employed. But these defects were inevitable, and their presence at the Conference at least helped to emphasise some of the difficulties which will have to be overcome before industry can be effectively reconstructed and stabilised. Indeed, it may be questioned if they were defects at all, for they proved how necessary it is that there should always be adequate opportunity for joint conference and joint action between Capital and Labour. If such joint conference and joint action are to be restricted to times of industrial and national crisis, the well-being of industry and of the country will not be materially advanced. Hitherto, the relations between Capital and Labour have been far too much like the relations between political States : periods of active war have been followed by longer periods of what we have called peace—really by periods of latent war. Such co-operation as there has been in the past between Capital and Labour has been of an extremely limited and ineffective kind. It has been put into operation only when some difference, and often an acute difference, has arisen between employers and employed ; and as soon as the difference has been settled, the co-operation has ceased. The time has gone by when industry can be carried on efficiently without deliberate, enlightened,

and loyal co-operation between the two sides, and the provision of machinery facilitating continuous joint consultation and action between employers and employed stands foremost and fundamental amongst our present industrial needs.

This may be unpleasant for employers who cling to the old rule of autocratic management, and it may be equally unpleasant for those " advanced " trade unionists who demand that the conduct and the control of industry shall be wholly vested in the workers. But it is becoming increasingly clear to the great body of employers, and to the great body of trade unionists, that either autocracy or revolution spells disaster for industry and for the nation. In a politically democratic State industry must be democratised.

The National Industrial Conference marked a great step in the democratisation of industry. And it marked a wise step, too. Industry cannot be wisely and effectively democratised unless representatives of employers and employed meet together, as a habit, to consider both their common and their conflicting interests. So long as there are employers—no matter whom the employers may be, whether capitalists, local authorities, or the State—there must be differences between them. But when the two sides remain, as in the past, in isolation, each inevitably tends to exaggerate the conflict of respective rights and privileges. Each tends to forget that whatever the inherent and unavoidable differences between them may be, both Capital and Labour have one great and permanent interest in common. That interest is the maintenance and the development of industry. Now, the present economic position demands and, what is more, makes possible a greater development of industry than any that has happened since the industrial revolution began in the eighteenth century. But that possible and urgently-needed development is hanging fire ; and it is hanging fire mainly because there is a lack of confidence between employers and employed. This lack of confidence cannot be removed by the older methods of industrial negotiation. A bigger, a bolder, a wiser method is necessary. And the Conference indicated that method.

In deciding to appoint a Joint Committee consisting of equal numbers of employers and employed to consider the most vital problems of the present industrial situation, the Conference took a step which may well prove to be the main determining factor in promoting future industrial harmony and progress. In appointing the committee the Conference was only extending and applying the principle of the Whitley Report, but this extension of the principle is not unlikely to prove an historic

step in the maintenance and the development of British industry and prosperity.

That the Joint Committee means business is evidenced by the official statement which it issued at the close of its first meeting held on March 4th. The statement should be chronicled here. It reads :—

The Committee considered the subjects of their inquiry and the methods of procedure. After a full discussion, and on a report of a sub-committee, the following resolution, moved by Sir Allan Smith and seconded by Mr. Arthur Henderson, was unanimously agreed to :

That this Committee, in order that its work may be accomplished as expeditiously and thoroughly as possible, divide itself into three sub-committees, with the following terms of reference :—

(1) To make recommendations concerning—

(*a*) The methods of negotiation between employers and trade unions, including the establishment of a permanent industrial council to advise the Government on industrial and economic questions with a view to maintaining industrial peace ;

(*b*) The methods of dealing with war advances ; and

(*c*) The methods of regulating wages for all classes of workers, male and female, by legal enactment or otherwise.

(2) To make recommendations as to the desirability of legislation for a maximum number of working hours and a minimum rate of wages per week.

(3) To consider the question of unemployment, and to make recommendations for the steps to be taken for its prevention, and for the maintenance of the unemployed in those cases in which it is not prevented, both during the present emergency period and on a permanent basis.

It will be seen that the task which the Joint Committee has undertaken is large and comprehensive. It would serve no useful purpose to try to anticipate any of its conclusions. Special attention should, however, be drawn to the fact that the Joint Committee is to make recommendations concerning the establishment of a permanent industrial council to advise the Government on industrial and economic questions with a view to maintaining industrial peace. There is no other method by which something approaching industrial peace can be established. The older methods are played out. They no longer meet the needs of industry. Something newer and better is needed. The Joint Industrial Councils which are being set up under the Whitley Report are practically certain to bring about a new spirit and new methods in the separate industries for which they are established ; but these Councils are applicable only to well-organised industries, and a considerable time may elapse before each well-organised industry has its Joint Industrial Council ; moreover, industrial peace is not a matter concerning one industry or a group of industries : it vitally concerns the whole industrial, social, and political life and well-being of the nation. Something, therefore, must be done nationally, and at once. The establishment of a permanent Industrial Council is clearly the line to follow.

SOME RECENT APHORISMS.

For the Government.

THE aspirations for a better social order . . . must be encouraged by prompt and comprehensive action.—*The King.*

The public has to recognise the growing resolve of Labour to receive a larger share of the profits of Capital. What we have to do is to find out the best and fairest way by which the results of the co-operation of Labour and Capital can be shared between them.—*Lord Ribblesdale.*

If the Government desire to allay unrest, it is essential that they, on their part, not only protest against the endeavour o a minority of Trade Unionists to stampede organised Labour into disastrous action, but that they go to the root of the matter in order to find a remedy for the solution of the problem.

W. Brace.

Publicity is the one great remedy for evils in a democratic community.—" *The Times.*"

If the demand of any section, whether it be railwaymen or miners, is, in the opinion and considered judgment of the Government, wrong on Thursday, it cannot be right on Friday merely because the men have struck.

I would say to the Government—Your duty is to be firm. You cannot be firm until you are just, and you cannot be just until you examine carefully and dispassionately every claim.

J. R. Clynes.

If production is to be increased, the workmen must get better hours, better homes and better education.—*Viscount Haldane.*

For the Employer.

If I were asked to put my finger on one spot more than another as a cause of the unrest, I would say it is the spirit in which concessions are given.

For four years those who wanted to strike have always been able to prove that their weapon was more successful than ours (negotiation).

I would say to the employers—Recognise the changed circumstances.

Labour is entitled to more of the gains that accrue from business operations, even if others have to be content with less.—*J. R. Clynes.*

I am satisfied from personal experience that the employers of the country are, in far too many cases, one of the principal causes of unrest.—*Lord Brassey.*

One of the sad things to reflect upon at this moment in British public life and industrial life is that both employers and employed have lost confidence in each other.—*W. Brace.*

For Labour.

Labour has nothing to fear more than making the public fear it.

It is a bad thing for Labour to find public opinion against it, and it can never lose a battle with public opinion on its side.

I would say to Labour—You have got to recognise your responsibility.

Trade Unions must not forget the interests of Trade when thinking of their own interests.

However strong and powerful a Trade Union may be, it is not stronger, or more powerful, or more important, than the State as a whole.

Trade Unionists have no right to substitute industrial action for their political disappointments.

Labour, strong as it is, cannot permanently separate itself from the body of the community.

The present level of prices cannot be substantially lowered till there is a substantial increase in production.

Normal wages are to-day a hundred times higher in some parts of Russia than they were three years ago. The spending power of these wages, however, is even less than it was before. It is not the amount of money we receive that matters, but the spending capacity of the money.—*J. R. Clynes.*

We must not forget that the rights and privileges of Labour carry with them duties and responsibilities.

If you preach rebellion to-day, you are bound to reap rebellion at some time or other.

You must not take more out of an industry than is produced within it.

The greatest need of the day is peace at home, and it is a remarkable fact that those engaged in fomenting unrest are those who clamoured for peace with the Hun, and who sought to hamper us in the prosecution of the war. Such men are not animated by any desire to uplift the worker, but are seeking notoriety and power for themselves. If they succeed, the workers will fare worse than they have ever done under the capitalist system.—*G. H. Roberts.*

I the last resort, a man can only have what he makes, and if that is little, there will be little for him.—"*The Daily Mail.*"

It is essential that the worker should grasp the fact that the nation has not got a bottomless purse.—*Lord Emmott.*

If too many demands are not put forward by certain sections of the community, there is plenty of material for employment if all classes act with restraint and wisely. . . . In railways, in textiles, in ships, in furniture, in buildings, there are great arrears. All these have got to be made up. There is no danger of unemployment if certain essential conditions of employment are adhered to.

Disturbance creates unemployment, aggravates unemployment, perpetuates unemployment.—*D. Lloyd George.*

It is lamentable that to-day there are scores, if not hundreds, of British ships outward-bound in ballast because no coal is available for export.—*Earl of Crawford.*

If, during the war, the workers had received the excess profits of their employers, they would have made a very poor bargain. Their increase would not have been more than four shillings a week, whereas the average advance in wages has been considerably over one pound a week.

In the United States wages are much higher because the Trade Unions there do not put any limit on output. The output per workman there is considerably more than that of the workers in this country.—*Lord Leverhulme.*

For All.

We must stop at no sacrifice of interest or prejudice to stamp out unmerited poverty, to diminish unemployment, and mitigate its sufferings, to provide decent homes, to improve the nation's health and to raise the standard of well-being throughout the country. We shall not achieve this end by undue tenderness towards acknowledged abuses, and it must necessarily be retarded by violence and even by disturbance.—*The King.*

We are a debtor country, and, if we lose our export trade, in a few years we shall be a third class power.

Improved production is the basis of high wages and better conditions.—*Earl of Crawford.*

If this unrest continues, the consequences will be grave to the trade and industry of this country.—*D. Lloyd George.*

Neither Labour nor Capital creates wealth. Wealth is created by mind almost wholly.

One of the great troubles is that the working-classes do not believe a word that is said to them.—*Viscount Haldane.*

The real test of the prosperity of an industry is its production.
W. Brace.

The more we can turn out, the more we can buy from abroad, and the more our people will have. Better conditions for the worker should improve his power of output. Increased production should again improve the standard of living, because there will be more to divide.—" *The Daily Mail.*"

SOME VIEWS OF THE MINORITY PRESS.

SUPPORTERS of the Minority Press have lately been at great pains to extract all the comfort possible from the recent strikes, but their lines of argument are often mutually exclusive, with the result that the "moral victory" attitude is hardly convincing. On the other hand, the opinion as to the attitude taken up by the official Trade Union leaders is quite unanimous —the abuse of these officials is universal, and their attitude is obviously considered to have been the great stumbling block to success.

W. F. Watson, writing in *The Workers' Dreadnought* (February 22nd), makes a bitter attack upon the Executive Council of the A.S.E. for their action in removing from office the secretaries of the London, Belfast and London District Committees. He describes them as "panic-stricken cowards," and echoes *The Herald* in its opinion that this action may well sound the death knell of the A.S.E. Watson says quite frankly that he hopes this will be the case, since, though it has been a useful and effective organisation in the past, "it is over-centralised and unwieldy, its machinery is obsolete, and its administration has got into the hands of a caucus of unscrupulous politicians." He suggests as a remedy for the present state of things, that "all rebel engineering workers should be banded together into a revolutionary Industrial Union," and invites any members of craft Unions, and all engineering workers of both sexes in the unskilled Unions, who are interested in the scheme, to write to him at his office with a view to forming such an organisation.

J. T. Murphy, writing in *The Sheffield Worker* (February), condemns the present Trade Union machinery as obsolete and unrepresentative, and says that the Trade Union branch in its present shape should be consigned to the scrap heap "along with the antiquated stodgy 'leaders' who have neither courage enough to get out of the beaten track, nor sense enough to realise that they are a stumbling block to the onward march of the rank and file."

The Herald, in an article on "Workshop Control," also attacks "the cumbrous machinery of Trade Union bureaucracy," which it describes as "totally unfit to cope with the rapid developments and urgent needs of the time." However, the writer rejoices that bold men and bold methods being required, both were to be found in the Workers' Committees which have sprung into being in Glasgow, Sheffield, Man-

chester, Birmingham and London. He comes out to meet criticism by confessing that perhaps the committees took a limited view of the national situation during the war, but evidently considers that this defect was more than balanced by the fact that "the Government took a severely limited view of the industrial situation." He admits that the Workers' Committees may have made innumerable mistakes and committed blazing indiscretions, but claims that "even their alleged indiscretion was more admirable than the cowardly caution and infirmity of purpose of official Labour." He states that they taught the workers more by example and demonstration in four years than all the propagandist bodies could teach them by precept in twenty.

The Socialist (February 20th) has an article which purports to explain "the wider significance of the forty-hours movement." It alleges that the adoption of the forty-seven hours week was a deep-laid plot hatched by the Government, Capital and the Labour leaders with the object of rehabilitating the Government, enthroning the brotherhood of Capital and Labour, and establishing the power of the Labour leaders. "In a word, all the elements of reaction would have been established, and the revolutionary Socialist movement would have suffered a relative set back." It at once became "the imperative duty of the revolutionary movement" to unmask this plot, so they put forward their demand as an alternative to the Government proposal which had the sanction of the capitalists and Labour leaders. "The policy of the Clyde Communists was enthusiastically supported by thousands of workers." The result of the fight has been to prove "that the Government stands behind the ruling class with the whole power of the armed force to fight Labour. It proved that the capitalists are as fiendishly cruel as they were wont to be prior to the war. And it proved that the Trade Union leaders in London, who control the large unions, are prepared to betray and to blackleg upon their own members in their struggle with their masters." However, the writer points out that the fight was well worth while, since "it has forced the trio of reaction to show itself in its true character. The Clyde struggle has demonstrated to the workers that the class war is as relentless as before. It has shown to what lengths the ruling class is prepared to go to maintain its profits. And it has exposed the treachery of the Trade Union leaders. Herein lies the wider significance of the forty-hours' movement."

Another writer in this issue points out that, although the "Clyde section of the Labour Army . . . has retired," the

miners have taken up the struggle, and discontent is prevalent everywhere. " There is no room for pessimism in the class war. We are optimists because the future is ours. Here and there the enemy may capture a sector, but the battle front is unbroken, and the serried ranks stand firm. On, then, with the fight. *We learn to fight by fighting.*"

This issue of *The Socialist* prints " A Challenge " to the Government, daring Mr. Lloyd George to summon representatives of the Shop Stewards and Workers' Committees to the special Conference. If he will do so, they will guarantee that he and the master class shall hear at the Conference why the workers are " seething with revolt."

The Worker (Sheffield), which made its reappearance in February, has an article by J. T. Murphy, in which he states that the light of a new era begins to dispel the darkness. " The revolutionary epoch in the world's history has begun. They who talk now of peace where there is no peace are traitors to the working class, and the lackeys of capitalism. Courageous initiative, sound principles and, again, courageous initiative are the demands of the hour. Answer true to your manhood and womanhood, and onward with the fight."

A further article in this issue of *The Worker* constitutes a " terrible indictment " of capitalism. " It is charged with the murder of millions of our brave soldiers. It is charged with the murder of millions of men, women and children who have died for the want of the bare necessities of life. It is charged with condemning the workers of the world to exist in hells of torment we call the workshops, and the horrors of slum dwellings . . .," and so on in the old familiar strain. But, says the writer, the change is coming. " The workers of the world are now sitting in judgment. Their verdict will be a complete condemnation of capitalism, and immediate steps will be taken to set up a Workers' Industrial Administrative Republic, in which the workers will own and control the means of life."

In " An Appeal to Mine Workers," George Harvey points out that the miners cannot do better than start Pit Committees, representative of all occupations, so that a mine can strike solidly from the top to the bottom, or, " if necessary, the entire mining industry of Britain from end to end." He appeals to miners to order *The Worker*, as in future it will deal with the problem of " how we miners can obtain power, and also because it will, in all industries, voice the claims and needs of Labour, and help to abolish the system of wage slavery."

FOOD FOR THOUGHT.

Of the many delusions and snares that militate against clear thinking at the present crisis, none is more surprising, when maintained by intelligent people, than the fallacy which is based on the alleged discovery that the war has proved that the country *was*—and therefore *is*—rich enough to provide the funds necessary for unlimited schemes of social betterment on an unparalleled scale. This fallacious argument runs as follows. Before the war we denied our people what was justly their due, on the ground that the expense of reform was prohibitive. "And then the war came, and we could afford everything the war needed." Millions, and ever more millions, of pounds were forthcoming, and nobody grudged the expense. Therefore, continues the argument, our old-time parsimony was buttressed by deceit, not rooted in necessity. At last the masses have made the great discovery that nothing is impossible, and they demand that the volume of wealth so lavishly poured out during the war shall continue to flow from the same inexhaustible source and be diverted into a new channel.

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It cannot be denied that in the past we have been woefully shortsighted. It is true that it would have paid us to have borrowed "millions, and ever more millions," to put our house in order before the war came to enlarge our ideas whilst impoverishing our resources. But not even the most enlightened amongst our people had any perception of the vastness of our lost opportunity. It is wrong to judge one age by the standard of another. Even the self-styled "Labour visionaries" of the most advanced type were hopelessly out of scale, and he who thinks only in pence has no right to expect that others will think in pounds. No blame attaches to the pioneer of the stage-coach because he failed to preconceive the advent of the airship.

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This much has been gained—our scale is enlarged beyond all former imaginings and never again will the old and unnecessary timidities hinder us. The tendency is all the other way, prodigality, not parsimony, is the danger. The spendthrift mania holds the field and national economy is out of fashion. But sooner or later the force of gravity asserts itself and the kite falls when the wind drops, or, alas, when the string breaks.

A debt of eight thousand millions ought to be large enough to stabilise the most reckless gambler, yet many find encouragement in the very exhilaration of its almost infinite magnitude. When the limit of comprehension is exceeded the pace tends to an ever greater rate of acceleration, but to argue that past expenditure justifies future extravagance is to court inevitable disaster.

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Such an argument places the nation in the position of a man who, having spent all his ready money, has mortgaged the reversion of his property and is living on the proceeds. No longer restrained by any effort to balance expenditure and income, he can please himself whether he dissipates what remains in a few months or a few years. Ruin is certain, so why not sooner instead of later? Let us jazz and be merry, for to-morrow we die.

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What, then, is the conclusion of the matter? Can the prodigal save the situation if he returns to his senses in time? Certainly he can, but only in one way. Retrenchment will postpone the evil day, but if he is to make good what he has lost, if he is to become solvent—he must produce new wealth—he must work. Nothing else will meet the case.

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Perhaps the most significant admission of the fact that only work will create wealth and the power that it brings is contained in the following letter in *Forward*, written by a Clyde striker :—"I was a striker, loyal to my class; but I have figured it out that 60,000 strikers earning on an average £3 a week and out for three weeks, sacrificed £540,000. It would have financed a daily paper that would have got us the forty-hour week. It would have put sense into thousands of heads where sense is not. It would have made the workers of Scotland class-conscious, and there would have been enough money left over to finance every parliamentary fight, educational fight and municipal fight for a long time." On the recognition of the fact that work and constitutional fighting, rather than idleness, destruction and terrorism, lead most surely to the workers' emancipation, depends not only Labour's welfare, but the very existence of a future generation to enjoy it.

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Coming events? We read that Lloyd's are receiving numerous applications for insurance policies against damage to property

during riots. The applicants in a large number of cases are residents in coal-mining centres.

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Whatever may be the real merits or demerits of propaganda, the advocates of Bolshevism are convinced that it has its value, and their efforts are unflagging. The *Democratie Nouvelle* reports that their literature is being distributed among the Lyons workmen, and reproduces a revolutionary pamphlet by Lenin and Trotsky—*To the Toiling Masses of France, America, Great Britain and Italy*—which recently made its appearance here and was distributed in our workshops, in our barracks, and even on our battleships. The object of this particular pamphlet is the alienation of the workers from all established forms of government, and a copy of it was found amongst the possessions of M. Clemenceau's assailant, Cottin.

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The Rebel Press adds yet another monthly to its already numerous publications. The first number of *The Masses*—a Journal for Industrial Unionists; Editor, W. F. Watson—contains a revolutionary article by David Ramsay, who argues that troops armed with "the weapons we laboriously forged 'to defend our homes'" are the last and only prop of decaying Capitalism. "The only answer to this is intensive propaganda. There is every reason to believe that the men in khaki are by no means contented with their lot," is his significant conclusion.

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While efforts are being made to give the would-be emigrant every facility for leaving this country, Sir Alfred Jarrow's statement of the emigration problem in a new form is particularly interesting and worth reflecting on. He points out that it costs on an average £400 to bring a youth to manhood. With this capital invested in him, on the point of becoming a wealth producer, he migrates, say, to America. If we reared a horse and sent it to America we should expect payment, but we present annually free of charge to the United States some 100,000 of our "surplus population" representing £40,000,000 worth of wealth-producing manhood.

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Again, Dr. Addison, speaking in the House of Commons, pointed out that "throughout the country there are a large number of places in which people spend half their lives which are little better than pig-styes and quite unsuitable for human dwellings." As a matter of fact, the law would not allow pigs or cattle to be housed in the areas referred to, and no owner

interested in breeding healthy stock would dream of attempting it. There is nothing more intimately related to the foundation of national health than the condition of the homes of the people —and the phthisical man or anæmic woman costs just as much to rear as we spend on the healthy, wealth-producing emigrant.

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The industrial and social errors of the nineteenth century were largely due to the acceptance of the creed that the nature of industry was such that every interest in the State must necessarily be subordinated to its untrammelled development. Much of the legislation and most of the industrial unrest of the last fifty years have been directed towards enforcing the recognition of the fact that the State's principal asset is the efficiency of her citizens, and that industrial enterprise is not to our advantage if it fails to provide its workers with adequate means of livelihood. Should we not be wise to examine the problem of our overseas trade in the light of that same experience, and base our industrial policy on the assumption that there is a price below which foreign trade offers us no real advantage ?

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In his annual report on the work of the Royal Edinburgh Mental Hospital, Dr. George M. Robertson ascribes much of the industrial unrest to the notion of a mental process known as inversion. " It is a remarkable fact," he says, " how many young men who were exempted from military service and earned high wages in comfort and safety at home are taking a leading and active part in these disturbances. They believe that they are actuated by altruistic motives, and are fighting nobly for the rights and welfare of the class to which they belong ; but how much of their action is really due to the uneasiness and unrest in their own minds. Just as it sometimes happens that a great swindler throws himself into church work to stifle the reproaches of his conscience, so these men who shirked fighting for their country in France or Flanders ease their minds of this painful knowledge, and protect their injured feelings of self-respect by the thought that they are nobly doing their bit for their fellow-workers. They have not been loyal members of society, and they thus deceive themselves that they are among the most faithful."

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History teaches us that revolutions are always made by small minorities, who become reinforced by masses of ignorant people.

LORD SYDENHAM.

No. XX

APRIL

MCMXIX

"It will never rain roses if we want more roses we must plant more trees."

—*George Eliot.*

INDUSTRIAL PEACE

CONTENTS

Propaganda

The Practical Application of Economics

The Second National Industrial Conference

National Waste

One-Man Businesses

The Failure of Bolshevism

The Appointments Department of the Ministry of Labour

Views of the Minority Press

Food for Thought



INDUSTRIAL PEACE

PROPAGANDA.

WHEN a Committee of Cardinals in charge of foreign missions described themselves as belonging to the "College of the Propaganda," they inflicted upon posterity a monstrous Latinism that we fear will haunt mankind throughout the ages. That the word is an abomination will not be gainsaid, but what of the thing which it represents? Is there anything immoral, anything improper, anything incorrect in organising publicity or in enlightening the ignorant? Assuredly not. Then why do men think instinctively of propaganda as something which cannot be mentioned above a whisper and which calls for an apology? We need not go very far afield for an answer, which, we fear, will be found in the human frailty that, when the wish is father to the thought, leads men to quibble, to invent, to misrepresent, to affirm, to deny, to practise all the arts of suppression, evasion, suggestion and inversion that are contained in the brief but downright English verb—To lie. If we might venture on an up-to-date definition of what is popularly understood by the word "propaganda," we would say that it represents a deliberate exploitation of credulity conducted by interested parties who believe that the end justifies any means whatsoever. It used to be said that there were only three degrees of liars—positive, the liar; comparative, the damned liar; superlative, the expert. But to these a fourth may now, in public esteem, be added—ultra-superlative, the propagandist.

Something like an *impasse* has been reached in this matter, and the consequences are serious—the more so inasmuch as the complexity of modern life handicaps the plodder after truth to such an extent that the accomplished liar has only got to be sufficiently unscrupulous and versatile to elude exposure until weariness or some new interest supervenes to save him from his deserts. The honest man starts with the initial disadvantage that while the truth is always rigid, often obscure, and sometimes unpalatable, the lie is fluid and can be adjusted to suit any set of circumstances, manipulated to meet any emergency.

Everybody knows the story of the man who stood for an hour on Westminster Bridge offering golden sovereigns for sixpence apiece without attracting a single buyer, and it is common knowledge that a brisk trade is still being done in gilded farthings

and Bank of Engraving notes, notwithstanding the antiquity of these familiar swindles. There was a time when we used to take the word of public men and the statements of reputable newspapers at their face value—nowadays, almost as a matter of habit, we requisition that proverbial grain of salt which experience has taught us to look upon as a salutary, if not as an indispensable, aid to digestion. The result of this state of affairs is doubly disastrous, for whilst credulity thrives best in an environment of uncertainty, scepticism and indifference grow apace in the same congenial soil, until, as Lord Haldane has remarked, " the trouble is that the working classes do not believe a word that is said to them." As long as the spurious is preferred to the genuine, so long will ignorance thrive and produce its disastrous fruit of bitterness—misunderstanding.

Is there any line of escape from this slough of make-believe, any solid path through this morass of doubt ? We believe there is, and we are old-fashioned enough to pin our faith on to the copybook maxim " Great is Truth and will prevail." We believe that in propaganda the " long run " is indeed the " shortest cut," and that no manipulation of facts, no serving up of half-truths, will achieve more than a transient success—and that only at the cost to the prevaricator of " dragging at each remove a lengthening chain," whose links grow heavier and more refractory the farther he strays from the truth. We do not mean to imply that the average propagandist necessarily deceives of malice aforethought, nor that he is the conscious retailer of spurious goods. Frequently his error is rooted in nothing worse than unbalanced enthusiasm for what he believes to be essential to the welfare of mankind, and he would be at once surprised and shocked to discover that his too impetuous advocacy had done more harm than good to the cause so near his heart. But motives, however excellent in themselves, or the reverse, are one thing, whilst effectiveness is another, and the practical point that we have to consider is how propaganda can best be conducted in order to convince the greatest number of persons in the shortest space of time that a measure of peace in industry is *the* indispensable condition for the development of national progress and for the attainment of human happiness.

We have laid stress on the paramount importance of that blend of accuracy and sincerity which is called Truth, but good propaganda goes far beyond the bald reiteration of unappetising facts. He who would direct the course of popular sentiment must be an expert in mass-psychology. Not only must he be familiar with the prevailing opinions of those he seeks to influence, but he must know why those opinions are held. His

efforts will meet with no reward unless at the outset he succeeds in establishing some bond of sympathy between himself and the people he hopes to educate.

The pursuit and practice of effective propaganda is at once an art and a science, and must be conducted on intelligent lines. To employ happy-go-lucky methods is to court failure. What is useful at one time and in one place may be positively detrimental at another season or with a different audience. Propaganda must be appropriate and timely, it must also be based on comprehensive and precise information. While there is no panacea which will suit all occasions and appeal to all sorts and conditions of men, it may be laid down as a general rule that passive negation is the least effective of all known methods of propaganda. Attack must be answered by counter-attack, and a vigorous offensive inspired by a new enthusiasm will achieve more than the most elaborate system of defence, however ingeniously contrived. Sound arguments are never valueless, but in the heat of controversy little attention is paid to logic unless it is apt and dramatic. The same truth repeated in different forms and driven home by different speakers is more likely to carry conviction than a variety of truths propounded by the same individual, especially if the speaker in question lacks personality. Suggestion is generally more effective than declamation, and worthy sentiments immoderately expressed make less headway than unsound doctrines disguised in the garb of reasonableness.

Propaganda functions by gravity rather than by capillary attraction, for knowledge always travels from the few to the many. It is at once more economical and more practical to persuade ten leaders than to enthuse a hundred of the rank and file. The conclusion of the whole matter would, therefore, appear to resolve itself, firstly into selecting writers, speakers and other men of influence with the people; secondly, into training these men so that they may be equipped with a full and accurate knowledge of their subject; and, thirdly, into organising this staff of propagandists and co-ordinating their efforts so that they may conduct their missionary work with truth, efficiency and despatch.

In these notes we have confined ourselves to general principles. With regard to details no better model could be followed (with one exception) than that perfected by the I.L.P. The exception which we refer to is concerned with a certain antipathy to accuracy which is the hall-mark of the propaganda method favoured by that organisation.

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THE PRACTICAL APPLICATION OF ECONOMICS.

"*. . . The next factor which militates against contentment is economic ignorance and fallacy. Its unsettling effect is quite unintelligible to those who have not seen it in action. In general outline it postulates that everything as it exists to-day in industry is inefficient, unjust, anti-social. Naturally, that tinges the whole outlook of Labour and gives a bias to the judgment. Little is understood about the mechanism of industry and trade.*"

SIR LYNDEN MACASSEY.

THE practical business man is apt to assume that he is not interested in economic theory, and thereupon to dismiss the subject or relegate it to the province of the academic student. The exacting work of co-ordinating Capital and Labour in profitable production absorbs all his energy, and leaves no time for the contemplation of theoretical problems, or of the hypothetical advent of the industrial millennium. Despite this prevalent assumption, however, we are, one and all, students, conscious or unconscious, good or bad, of those influences and tendencies which necessarily permeate and govern the life of every citizen, the scientific study of which we term economics. Imbued with the sense of national life which the events of the past four years have quickened, how can any one of us disavow the duty of acquiring some knowledge of the social effects of the ways and means of gaining a livelihood? Yet this is the subject matter of economics: the investigation of man's actions in the ordinary business of life; the study of all lawful ways of gaining a livelihood, and of their ultimate effects on human society.

A definite industrial system exists, and by it we live—or die. That much of its working is extraordinarily productive and beneficial is obvious; its defects are no less apparent. Poverty and unemployment; waste on a scale scarcely less vast than the increased productivity achieved by the system; greed, callousness, and selfish indifference; these crimes, committed by the system against mankind, for whose benefit it has alone been devised and is maintained, compel our attention. No longer can we afford to ignore the main facts of the system which controls the mainsprings of our industrial and national life. It is not enough that we satisfy the wants of this generation.

Our ultimate motive must embrace the welfare of our children and our children's children, whose inheritance it must be to enjoy a free life under a government of their own choosing and according to their own conception of right. Otherwise, most of us would abandon half the tedious schemes to which we now devote our existence. Yet if we continue to content ourselves with the narrow aim of immediate production and profit, and close our eyes to the ultimate and far-reaching effects of our business policy, we are indeed building in the sand, and disaster, already threatening, will not be averted.

In a series of short notes on practical economics an endeavour will be made to arrive at some clear comprehension of the basic principles underlying the successful production, distribution, and consumption of wealth, and so to correlate them with the variable factors of human life that they may be readily adjusted to actual industrial enterprise, and correctly interpreted in the light of each man's practical affairs.

The Importance of Some Knowledge of Economic Science.

It is unfortunately true that economics is at the same time the most vital and the most frequently misunderstood and misrepresented science of our day. The term itself, graphic and illuminating to the student, conveys at most a false impression to the average man. The Greek words *oikos*, a house, and *nomos*, from the verb to manage, give us an exact idea of the scope and purpose of the science: the art of management of a house, and, by extension, of a State. No house or State, no organisation, however simple or however complex, will function successfully unless the work of the parts is co-ordinated and directed by some central force. Economics is a study of those forces which underlie and which really govern our material life. Stated in its simplest form, the social and industrial problem is the adjustment of supply and demand. The economic ideal is conceived, therefore, as some huge controlling force that will see that the needs of society as a whole are exactly met, and that the total energy in the country is so skilfully divided up that each industrial group is just sufficiently strong (and no more) to discharge the functions which are demanded of it. The conception is an ideal impossible of realisation, but the more exact our knowledge of general controlling factors, the nearer we approximate to a stable balance between supply and demand, the greater will be the volume of the wealth and welfare of the community, the greater the progress of the nation.

The Economic Aim.

Having got some clear idea of the function of the science of economics, our next step will be to determine what sort of a house, or State, we are aiming at as a result of our economic management. What are the economic desiderata? "The securing to every member of the community, in good times and bad alike, of all the requisites of healthy life and worthy citizenship"—Labour's definition of the National Minimum—epitomises the more important aims which all economic science should embrace. Given such a foundation, national wealth, power, and stability must inevitably follow.

Economics has been considered too exclusively as the science concerning the production, distribution, and consumption of wealth. This is only true if we use the word wealth in the sense of welfare—goods and services conducing to the well-being of all the members of the State. The multiplication of goods which either do not satisfy real wants or only tend to create artificial needs in the more fortunate classes of the community, whilst leaving the bulk of the population outside the reach of the greatest boons that modern invention can confer, is not the economic goal. If we keep this more comprehensive end always in view, and remember that economics concerns itself with the provision of our national welfare, we shall avoid falling into the error of the over-careful housewife who, setting out to minister to the comfort of her family, becomes absorbed in the joys of housewifery for its own sake, and subordinates the freedom and well-being of the household to the claims of polished surfaces and perfect punctuality. If we are to profit by the study and application of economic principles, we must not lose sight of the fact that the various devices of modern industry, specialisation and co-operation, machinery, money, credit, and foreign markets are only instrumental to an end, and the end is national stability and individual well-being.

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THE SECOND NATIONAL INDUSTRIAL CONFERENCE.

FRIDAY, April 4th, 1919, will take its place among the significant dates in industrial history. We shall look back upon it as the day on which employers, workers, and the State were presented with an unique opportunity for laying a firm foundation of industrial reconstruction—an opportunity of grave significance whether it be realised and used to the full or mishandled and lost. At the moment, fortunately, there is every reason to believe that it will be seized by all in a spirit of intelligent understanding and co-operation. On April 4th, the National Industrial Conference, which met on the invitation of the Government at the Central Hall, Westminster, on February 27th, reassembled to receive the report of the Provisional Joint Committee appointed at the previous meeting. It will be remembered that the National Industrial Conference was convened by the Government at a time when the country was confronted with an industrial crisis, bringing the threat of industrial disaster in its train. Much has happened in the industrial world between February 27th and April 4th. The atmosphere has been cleared and the situation greatly improved; and in the production of that improvement the Conference has undoubtedly been an important factor. But it remained to be seen whether the improvement merely concerned a few industries, and especially the three key industries of mines, railways and transport, or whether it could be said to characterise the industrial situation viewed as a whole.

The resumed Conference of April 4th fully justified the hope that the improvement was general; that a considerable change for the better had come about in the industrial temper of the nation. The present is no time for unbalanced extremes, either of optimism or of pessimism, in regard to industrial, political or international affairs. It is a time for clear observation of tendencies, facts, and conflicting forces, and for intelligent reasoning upon them; and, fully recognising the need for such observation and reasoning, we confidently repeat that the resumed Conference of April 4th fully justified a great hope.

Both the temper and the decision of the resumed Conference point clearly in that direction. The session differed greatly from that of February 27th in respect of the fact that the only speeches made were delivered from the platform, and that the contribution of the body of the Conference was confined to questions (some of them rather prolix, and all coming from the Trade Union side only) on the Provisional Committee's report.

But anyone who knows anything of conferences knows only too well that if there is any determined antagonistic spirit about, it will demand and find expression. The previous Conference proved that. And it should not be forgotten that the Conference of April 4th had something definite to criticise. It had before it the detailed and unanimous report of the Provisional Joint Committee, a report dealing with many of the most important questions of the moment and of the future; and it had before it a resolution, moved by Mr. Arthur Henderson on behalf of the Trade Unionists, and seconded by Sir Allan Smith on behalf of the employers, which was a direct challenge to reactionaries and to firebrands alike. That resolution declared :—

That this Joint National Industrial Conference, representing the employers and the trade unions, welcomes the report of the Provisional Joint Committee, and agrees to submit it for the acceptance of its constituent organisations immediately the Government officially declare their readiness to proceed at once with the legislative and other steps necessary to carry the report into effect.

That the Provisional Joint Committee remain in being until the National Industrial Conference and the Standing Committee have been brought into operation.

This resolution, in view of the recommendations of the report, was, as we have said, a direct challenge to reactionaries and to firebrands alike. It is surely significant of much that no amendment was moved.

As the report was unanimously presented to the Conference by the Provisional Joint Committee, was adopted without amendment, and is now in the hands of the Government for consideration, it would serve no useful purpose at the moment to analyse its contents in any spirit of criticism. The Committee's terms of reference covered a large and comprehensive field, and one containing some of the thorniest outgrowths of the industrial world. The Committee had, moreover, only a month in which to survey the field of its enquiry and to prepare constructive proposals. It is little wonder, therefore, that the Committee points out in its report that

. . . It has been realised that the field of enquiry opened up by the terms of reference is a vast one, and that to explore and report upon it as a whole would require a far closer and more prolonged examination of its numerous aspects, both political and economic, than could be even contemplated by the present Committee in the short period of time allotted to them. . . . It has been impossible to attempt any exhaustive investigation into every aspect of unrest, to examine fully the relation between under-consumption and unemployment, between wage-standards and purchasing power, the relationship of production to the whole economic and industrial situation, and many other fundamental but complicated matters of discussion.

The real wonder is that a Joint Committee of employers and trade unionists, appointed hurriedly at a time of grave national

crisis, should have been able, in so short a time, to present unanimously a report so comprehensive, so thoroughly constructive, and so sane and reasonable in its proposals. Everyone who studies the report dispassionately, and in clear relation to the industrial conditions, views and possibilities of the present and of the future, will agree that the proposals in regard to maximum hours, minimum wages, methods of dealing with war advances, recognition of and negotiations between organisations of employers and workpeople, and unemployment, furnish employers, workers, and the State with a practicable programme of industrial peace and progress which in principle, and in most if not all of its details, should receive universal assent.

Appendix I. to the report, which contains a memorandum by the trade union side of the Committee on the causes of and remedies for labour unrest, will certainly not receive the same wide assent. It is well that the memorandum should have been added to the report, for so long as both sides in industry can agree upon wise and constructive proposals, it is all to the good that each side should speak frankly to the other, to the State, and to the country at large. For the moment, however, the memorandum may be left without detailed analysis. It may serve as the basis of another article.

Special attention should be called to what may ultimately prove to be the most permanently valuable recommendation of the Provisional Joint Committee's report—namely, the recommendation that some form of permanent representative National Industrial Council should be established without delay.

This recommendation, and the objects and constitution of the National Industrial Council (which we have not space to quote), show that the Whitley Report has played a large part in the deliberations of the Provisional Joint Committee. The net result is that the Committee and the Conference together have given, on behalf of organised employers and organised workers alike, a sanction to the Whitley Report which cannot fail to speed up the application of that Report to the great majority of well-organised industries, and have also taken the first step towards supplying a vital need of our industrial world —a representative and responsible Parliament of National Industry. The functions of that Parliament will be advisory, not executive; and it is well that they should be so. And it may confidently be anticipated that the existence, the advice, and the moral influence of that Parliament will soon prove to be one of our surest guarantees of industrial peace and progress.

NATIONAL WASTE: ITS RELATION TO INDUSTRIAL PEACE.

No matter what the moral and psychological causes of the present unrest may be, if we are ever to realise industrial peace it must be established on a material as well as on an ethical basis. The elimination of the waste of effort inseparable from our present industrial methods would go far towards enabling Labour to earn the high wages in the short hours which it now demands.

I. COAL.—The main source of Britain's wealth is her fuel. Foremost, therefore, in any scheme to check national waste must come the conservation of coal. A heavy threefold loss is involved in our present reckless, haphazard methods of consumption. In the first place, there is the loss of the actual material. Some 60,000,000 tons of inferior coal are left annually in our mines because our methods of combustion are so crude that none but the best will serve. Of the coal actually raised less than one-fifteenth is transformed into useful energy. Roughly speaking, it is no exaggeration to say that, if the most perfect methods known to science could be universally employed, fifteen hundredweight in every ton might be saved. The heat efficiency of the ordinary household grate is about three per cent.; that of the steam turbine plant, which may be taken as the most efficient prime-mover using raw coal, is about fourteen per cent. Consider the waste of actual coal, of capital, of labour, of transport, and again, of labour in hauling and stoking, that this implies. Secondly, the greater part of an invaluable supply of by-products—chemicals, drugs and fertilisers—is lost. And, thirdly, one must add the deleterious effects upon national health and character arising from the smoke-vitiated atmosphere of our industrial areas.

The most promising scheme designed to overcome all these three sources of waste is the one first proposed by Sir William Ramsay some years ago, and now reported upon favourably by the Fuel Research Board. Briefly, the scheme consists in gasifying, in centralised plants, the whole of the coal raised, gasifying processes being specially adapted to the inferior qualities of coal. Such by-products as tar-oils, benzols, fertilisers, etc., are recovered from the gas thus produced, while it is suggested that the gas itself could be used for the generation of electrical power on a huge scale. The whole country would be interconnected by a supply network from which any user could draw power as he required it. In chemical and metal-

lurgical processes requiring the rapid heating of large bodies the gas could be distributed in high-pressure mains. Many of these operations, however, can be economically carried out by electrical methods. For instance, the electric steel refining and melting furnace has made phenomenal progress during the last few years. Cheap electricity would encourage further advance in its use.

The adoption of the scheme, as outlined, undoubtedly presents serious obstacles. It has, however, been tried, on a small scale and incompletely, in Northumberland and Durham. As a result, these counties offer the cheapest electrical power supply obtainable in England. But to obtain complete success and the maximum economy, the scheme must be put upon a national basis. The centralisation of the chief sources of smoke and dirt, and the consequent removal of these nuisances from our town life, the proved economy of large generating stations, the enormous reduction in coal transport, and the advantage of easy access to cheap supplies of gas or electric power in large or small quantities, would combine to eliminate one of our greatest sources of waste and to take us a big step forward towards the realisation of the much-desired National Minimum of health, wealth and leisure.

II. AGRICULTURE.—Another serious source of waste lies in our agricultural policy. The country is now alive to the imperative need of promoting the production of home-grown grain. The Corn Production Act has done much to stimulate effort in this direction, but a definite and vigorous land cultivation policy must follow hard upon what is, after all, only a temporary expedient. The soil of Europe is drained of essential plant foods—chiefly potash and " fixed nitrogen "—and if the cultivation of corn fields is to be undertaken successfully, the fertility of the soil must be increased by supplying these foods in quantity. Available sources of potash exist, if properly treated, in felspar and the dust from cement kilns and blast furnaces. The immediate supply of the essential quantities of " fixed nitrogen " cannot, unfortunately, be so readily obtained. The compounds of nitrogen which act as fertilisers are just those which we have been compelled to use in vast quantities in the preparation of explosives of all kinds. When, early in the war, we cut off Germany's supplies of Chili nitrate, she promptly turned to coal for her nitrogenous fertilisers, and to the inexhaustible supplies of the air for the nitrogen for her explosives. Other nations have done the same ; Britain alone of the great nations of the world is lacking in extensive plant for the production of nitrogen from the air. We have yet to realise that

we cannot grow wheat on Corn Production Acts; and that the land must be fed before it can, in its turn, yield food for us.

III. TRANSPORT.—In discussing the question of fuel waste, we touched upon the question of transport waste. We saw that a very considerable saving could be effected by conveying the transformed energy of the coal along wires to its point of application, instead of transporting the bulky coal itself from, say, Newcastle to London, where something like 94 tons out of every 100 thus laboriously conveyed would be wasted. Again, a Bradford wool merchant sends his motor lorry to Leeds to fetch bales of wool purchased there; a Leeds merchant similarly has occasion to send a lorry to Bradford for a load of woollen wastes. Each lorry will make one journey under load and the other empty, fuel and wages costs of both journeys being approximately the same for each trip. If, by a suitable clearing house organisation, the two merchants could be brought into touch, in nine cases out of ten, both services could be performed in one journey, leaving fifty per cent. of the lorries and drivers at present employed free for other work. The Road Transport Board and the Board of Agriculture have done much to encourage the pooling of vehicles for what is termed collective distribution, and considerable economy has already been effected under their schemes.

England is well supplied with canals and inland waterway systems, but her canal traffic is disproportionately small and slow when compared with that of France and Germany. So varied are the sizes of locks and the depths of our canals, that it is impossible for a good-sized barge to proceed from London to the Mersey without having to unload and tranship the cargo into smaller vessels at various points on the route. Our antiquated lock system, by which a whole lockful of water is wasted at each passage of a boat, should be replaced by the modern "lift" system employed on the Continent. The picturesque, but slow, and therefore costly, horse towage should be superseded by improved petrol or electrically-driven engines. The adoption of these methods would render feasible the transport of heavy goods by one of the cheapest known methods.

Much economy might also be effected in the improvement of road transport. The experience gained during the war as to the possibilities of road transport must be put into practice under peace conditions. To relieve the congestion which is likely to be the outcome of the new traffic, great trunk roads should be constructed and used for motor transport only. Under a properly regulated system, heavy traffic could travel at comparatively high speeds on these roads, the poorly graded

and winding roads being thus left free for less dangerous and less urgent traffic. The loss, direct and indirect, of capital and of labour involved in a wasteful transport system is extremely difficult to estimate, but it constitutes a considerable tax upon the net product of labour and capital, and we have only touched upon a few of the many ways in which such waste could be eliminated, and the public better served at less expense.

IV. FACTORY MANAGEMENT.—Any man familiar with the factories or works of the Midlands and North of England must often have been struck by the excessive daily waste of effort involved by haphazard designing and ill-calculated and hasty extensions. Where much hand labour is made use of, a part, at least, of the high cost-prices of British goods as compared to those of American and Continental competitive lines may be traced to this cause. Labour is undoubtedly the costliest item in production, and all labour must be paid for, whether used economically or otherwise. To quote an actual instance, in a certain works—large works of considerable repute—the raw material, clay, is brought in and stored at one end of the yard. The weighing machines are situated at the other extreme. The weighed clay is carried, piece by piece, by boys, up a winding, ill-lighted staircase to the mixing room. The mixed mass is then carried downstairs again, and to the far end of the buildings in readiness for the next operation. This method has been in practice and remained unaltered for thirty years. Contrast this with the methods adopted long ago in America and now being established in the larger engineering works of this country. Every effort is made, so high are labour costs, to eliminate the many unnecessary motions with which we all invest even the most simple of operations. The actions of the best and quickest workers are carefully studied, and the best method having once been arrived at, the remainder of the workers are taught its application. Costs go down, production per unit of time goes up, and the worker gets increased pay for his increased output—or, in response to present-day demands, might have increased leisure as a result of his increased output per hour. Contrast the present ca'-canny restriction of output with its inevitable high labour-costs and waste of capital value. The elimination of this particular form of waste should play a considerable part in determining the six-hour day controversy in favour of Labour. The war has done much to supplement the lessons of America in demonstrating how scientific co-ordination of labour and machinery can be made materially to increase output per hour.

We have dealt with some of the more glaring sources of national waste. There are many more which every reader can

supply from his own experience. We have indicated methods of combating the individual types of waste, but if we are really to eliminate national waste on a great scale we must find and control the fountain-head from which these many sources flow. The growth not only of the purely economic world, but of the whole social system of our State, has been stunted and deformed by a long-continued policy of individualism and *laissez-faire*. The absence of a proper sense of the relative value of the various forms of public service, a lack of proper co-ordination of the social and the economic sides of life, have undoubtedly led to a grievous waste of the highest intelligence and ability in the country. Popular appreciation of any calling in life is usually, and not unnaturally, proportional to its financial return. Under existing conditions, notwithstanding that nearly all industrial progress now originates in the laboratory, the pecuniary prize falls invariably to the commercial manufacturer. The value of the entrepreneur who understands the business of supplying public need is not to be underestimated, but the lack of inducement to young men of capacity to undertake research—scientific, economic or social—is undoubtedly a serious source of national waste. It is the nation's task to direct the stream of youthful energy and ability towards the furtherance of true national interests.

Greater social and economic co-ordination is imperative if we are to realise even our present hopes of a National Minimum. Such is the conviction of every thinking citizen to-day. Diversity of opinion only arises as to the best method for its realisation. This much, at least, is certain: that nations will stand or fall, not by militarism, but by the intelligence of their peoples. The highest manifestation of this intelligence is the desire to pull together as one whole, so that every ounce of energy may be utilised to the uttermost. This idea underlies the new "Imperialism," "Nationalism," "Socialism," "Communism"—call it what you will. It is a socialism stirring alike amongst our workers and our capitalists, a socialism not recognised by those of our so-called Socialists who prefer to interest themselves in pacifist and Bolshevist propaganda, a socialism known by a thousand and one names, according to whether its professor reads *The Times*, *John Bull*, or the *New Statesman*. The many varieties come, in the end, to the same thing—Nationalisation, Guild Socialism, Industrial Syndicalism, Profit-sharing—they all have the idea of a collective end, of the submersion of waste and petty competition in one great common purpose.

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ONE-MAN BUSINESSES: A PLEA.

THE long duration of the war disturbed so radically the ordinary courses of business, and spread hardship and loss on such a scale that computation is unlikely to overtake the ever-accumulating facts. There is hardly a class of men, hardly any interest, but has been made to suffer severely through the war. In a world so full of grievance it might, therefore, seem idle to ask for sympathy or compensation for any one group or class. Yet there is one group that poses a somewhat special question for solution, dulled and apathetic as the attention of the public may be. This group wants something from the public, or from the Government, or from any practicable source: there is no cloaking this. But there are wants and wants. As wants go, the wants of the one-man business group are less burdensome and less wasteful than those of some others. The difference is, roughly, that between reproductive and unreproductive expenditure.

Of one-man businesses, which are multifarious, only a few types, viz., the smaller traders, the purveyors of certain simpler forms of personal service, etc., are contemplated in this paper. Such callings as those of barristers, solicitors, doctors, coaches, consultants of various sorts, and so on, are not in view, great and even tragic as their losses have been, and intractable as are the obstacles in the way of their re-establishment. Many doctors, for instance, find their practice gone beyond recovery, and many, from the character of their military duties, have lost touch with medical science and practice. Not only have some of them this grievance of impaired efficiency as general practitioners, but it is obviously a grievance which they dare not advertise. The plight of many lawyers is equally awkward. But it is with humbler folk that this paper is concerned. Take the case of a hairdresser who had just got in a fair way of business on his own when the war came, who eventually joined up, who later had to sell off his modest stock, who has spent some or most of his capital since then, and now, on returning to civil life, finds his poverty, together with the high price of stock, an almost impassable bar to setting up again. He feels that as his difficulty is due to the war he has a right to ask the nation, or at least the public, for help. His request is not for a gift. It is capital he needs. He is prepared to pay interest on the main sum and to repay at the earliest.

You may be inclined to ask why he should make any public claim at all, instead of going to friends or getting accommodation from a bank. But he is not very likely to have moneyed friends. As to help from strangers, it is probably true that, if introductions could be arranged, the money might be forthcoming. There are plenty of well-off or rich men who have profited rather than lost by the war, and who would be willing to stake a little money on re-establishing some one-man venture which the war has weakened or paralysed. There is scope here for "adoption": men of substance might play the part of *marraine*, as Frenchwomen have done for *poilus*. But there exists no machinery for making the introductions. No one appears to have thought of organising this mixture of business and friendship, promising as it seems to be, necessary and just as sufferers by the war may think it. Here and there, perhaps, individuals may have been feeling their way towards such a form of co-operation. But the men still in the Army, or just out of it, are diffident about disclosing their needs to private persons and shrink from opening the matter.

If the hairdresser approaches a banker, how will he be received? There are banks and banks, of course, and bankers and bankers. From an old-fashioned private bank with local sympathies—if he can find one in his town—he might get help on his past and his character. But more probably the Joint Stock Bank at the corner of his street will ask for security, and in default of this, partial or total, will refuse help. The manager will, no doubt, adduce reasons: that character is not a security, that the money of depositors must not be used to support the speculations of small nobodies, that his head office in London is calling for his spare cash. It is not necessary to detail here what happens, or used to happen, to all the country money when it reached the international money market in London. Much of it probably found its way in bulk to Germany, and you may be sure some of it was loaned out to poor Germans on their character.

The questions which require to be answered in the interests of the one-man businesses are: (1) How can the friendly private investor and the needy trader be brought together? And (2) how can the banks be encouraged or enabled or obliged to lend money—to put it bluntly—on character?

One answer, which is perhaps the best, and which must suffice for this paper, is *By Propaganda.*

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THE FAILURE OF BOLSHEVISM.

THE abysmal gulf which separates the social ideals of Lenin and his group of intellectuals and charlatans from the inconceivable outrages and enormities of their followers offers an arresting example of the possibilities of human nature.

The Bolshevists have studiously laboured to secure the acceptance of their four main political points in those parts of Russia where they have succeeded in imposing their rule : the abolition of the Christian religion, the nationalisation of women, the sequestration of all property, and the abolition of all centralised administration. Any system of ethics which neglects to recognise the brute factor in human nature is foredoomed to failure. The Bolshevist would eliminate religion from the life of man, and particularly discounts the so-called Christian virtues of forbearance, patience and selflessness, appealing frankly to the brute which slumbers in us all, to unchecked self-interest, and to arrogant self-assertion. In pure intellectuality religion may be eliminated. But man is not purely intellectual, and one result of Lenin's and Trotsky's endeavours to eliminate the religious factor from the lives of their followers is seen in Archbishop Platon's urgent appeal to the Church of this country, in which he charges the Bolshevist Government with the singularly brutal murders of two metropolitans, twenty bishops and hundreds of priests. To these must now be added the massacres of Dorpat and Walk. Photographs of large numbers of the mutilated victims of these outrages, taken after death and too horrible for publication, have now reached the Foreign Office.

Religious toleration, under the Bolshevist *régime*, is non-existent. A return to the bloodthirsty bigotry and mental servitude of two thousand years ago is made a *sine qua non* of life under Bolshevist rule, and the penalty of non-compliance is mutilation, outrage and death. The Archbishop of Odessa has thus been moved to telegraph to Lambeth for protection for the Russian Church, declaring " the Revolutionary Government is subjecting it to cruelties by the side of which the persecutions of the Christians of the first three centuries pale." The Kremlin Cathedrals of Moscow, Yaroslav, and Simferopol have been sacked ; the historic sacristies and famous libraries of the Patriarchs of Moscow and Petrograd have been pillaged ; multitudes are being tortured to death, martyrs to their

religious convictions. No tyranny has equalled in ferocity the tyranny of the Bolshevist proletariat.

Those of us who have lived in Russia for many years, and moved freely among the Russian people, were formerly deeply impressed by the simplicity and lovableness of the peasant character, and now stand aghast and painfully dismayed, realising, through them, the illimitable possibilities for evil dormant in all human nature. Bolshevism, pandering frankly to the inherent brutality in mankind, proclaimed "freedom of mind and body" to the proletariat; but those of us who declined to consider freedom synonymous with licence, and who, though workers, were not considered worthy of a place among the ruling proletarian masses, were insulted, outraged and robbed. And not only professional men, but workers of the shop-keeping class meet with the same treatment. The sight of armed bands arriving in motor lorries in the forenoon to loot the shops of their fellow-citizens is a sufficient comment on the validity of the boasted regeneration of social order. More significant still was the sight of the converts to the "New Freedom of the Higher Civilisation" lying on the pavement lapping the wine which swept the city refuse along the street gutters of Odessa from the smashed barrels of the plundered cellars. So thorough and complete is the physical and moral degradation of those who reject the old teaching and standards of living that even personal cleanliness is scorned, and the devotees of the new order relapse into a condition of indescribable dirt and demoralisation. The streets remain unswept, the public buildings uncleansed.

The writer, who for nearly a year seldom obtained a night's rest without being awakened by revolver shots, found, after one particularly tumultuous night, that a band of six Bolshevist raiders, returning from a looting expedition, had encountered a rival party of four. A fight to the death resulted, in which all of the smaller party were murdered. In the morning, when the death cart came, it was found that the assassins had overlooked a pocket in the coat of one of their victims. It contained twenty thousand roubles.

The proclamation at Odessa of the measures for the confiscation of all Church property and revenues, and the State establishment of free love aroused strong opposition among all who are opposed to the overthrow of such civilisation as we have laboriously arrived at through the centuries. A procession of protest, although forbidden, was successfully carried out. The Archbishop, two bishops, all the clergy and choirs of the city, and forty thousand people took part, a number

too considerable to ignore in a city of five hundred thousand souls. The local Soviets were not successful in imposing the Bolshevik measures for the institution of free love on the population, but the failure to carry through the contemplated scheme did not prevent the perpetration of numbers of outrages so brutal as to render, in many cases, the shooting of women an act of mercy. It is fully recognised that the measures for the so-called nationalisation of women have for their aim the compulsory prostitution of the womanhood of the nation.

With the loss of the acknowledgment of the essential rights of freedom of choice in marriage for women, of the rights of property, of freedom of speech, of the press, and of political opinion, the appreciation of the value of human life disappeared also. Assassinations increased daily in number and brutality, and, at first carried out with secrecy and shamefacedness, soon came to be executed openly in the broad light of day. They are the logical results of a system which publicly proclaims its mission to be purely destructive for a dozen years, declaring that it will take this length of time effectually to destroy the present civilisation and "level existing institutions to the ground." Twelve years in which to reduce the world to chaos!

The adoption of such a programme, disregarding the essential relations between labour, production and consumption, brings in its train the complete destruction of the economic life of the nation. Confusion daily becomes wilder, and, at the present time, a return to the primeval system of barter is seriously contemplated alike by those interested in averting the total destruction of Russia and by the Bolshevists themselves. By this means alone can the present thoroughly discredited Bolshevik economic system hope to obtain even a measure of those imports from abroad which become daily more necessary for the preservation of the surviving population.

The reckless issue of enormous quantities of irredeemable paper money has annihilated the old standards of value. The peasants themselves now gauge their wealth by packets of notes measured by weight, different values attaching to the various issues; the old Imperial Romanoff money still carries much the highest rate, not only in foreign exchange, but in the country itself. In those parts of the former Russian Empire where the Bolshevist rule has been successfully resisted these differences can be estimated with some degree of accuracy. Thus in Poland, for example, 100 Imperial (Romanoff) roubles will exchange for 130 Polish marks, 100 Kerensky roubles are only worth 89 Polish marks, whilst the Lenin rouble is not accepted at any price. Stated in terms of our own coinage,

the purchasing power of the Imperial rouble in Poland is sevenpence, that of the Kerensky rouble fivepence and that of the Lenin rouble nil. All denominations of Russian money will continue to fall, however, as long as the Bolshevik Government continues to flood the country with forgeries of the more valuable notes.

But even bank notes by weight fail to bring plenty to the dejected and harassed possessors. Death, misery and famine are everywhere. The banks are either closed altogether or else refuse to pay out more than strictly limited amounts, and these only in the almost worthless paper currency of the particular local district. This naturally results in extensive money hoarding, which mainly serves to increase the predatory raids of the ubiquitous Bolshevik bandits. In Odessa a suit of clothes, which before the "Holy Revolution" cost from seventy to a hundred roubles, now sells for six thousand. A pair of boots cannot be obtained for less than six hundred roubles. Wages are frequently ten times what they were, but even so they fail to purchase those necessary commodities of life which formerly were within the reach of all. The cost of living in a boarding house averages two thousand roubles a month—nominally equivalent to two hundred pounds sterling. Life in an hotel costs a hundred and fifty roubles a day.

On every side there is discontent and bitter disappointment at the overwhelming ruin and wretchedness which are all that have materialised from the promises of a golden era, lavishly held out by the Bolshevists. The appeal to the lowest passions of mankind to join in an orgy of self-interest has produced the results which the universal experience of mankind through the ages has shown to be inevitable. Bolshevism stands convicted before the bar of humanity as a moral, material and economic failure. The intellectual and technically trained classes of society in Russia have been almost wiped out by the wave of bloodshed and famine, while the workers and proletariat are engulfed in ruin so complete that unless the evil be removed national and racial recovery will become an impossibility.

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THE APPOINTMENTS DEPARTMENT OF THE MINISTRY OF LABOUR.

THE purpose of this article is to commend to the public, and especially to employers, a very recent development of the Ministry of Labour. As a general rule, bureaucrats may safely be left to look after their own interests and work. They are likely to control and interfere too much rather than too little. It is seldom that there is any real chance of their escaping the notice of the public. This time they may be said to be doing good by stealth. The present effort of the Ministry of Labour is one of the most beneficent strokes of bureaucracy. It has originated from the training organisation devised during the war by the Ministry of Munitions in order to supply its own requirements in skilled labour of certain sorts. But the original idea of the Ministry of Munitions has been developed out of recognition. The new Appointments Department seeks to control nothing. Its ambition is to act as intermediary for those who wish for work and those who have posts to fill. For administration the country has been divided into a round dozen of main districts. It is intended to use, for certain purposes, influential local advisory committees. The head office is at St. Ermin's Hotel, Westminster, S.W. 1.

The problem before the Ministry of Labour, and before the nation, is how to bring soldiers into touch with employers. For manual workers the problem is comparatively easy. Their qualifications tend to be uniform, as does the work they do. They are usually interchangeable. They will have the help of the secretary of their trade union, and they can resort to the Employment Exchanges. It is harder to fit educated men into posts, partly because of their greater diversity of work and qualifications, and partly because an employer judges to some extent by the personality of applicants. For these and other reasons, agencies for finding work for educated men have not succeeded in the past on any serious scale. But the present time is an emergency, and one that calls for new machinery and the waiving of prejudice. There are thousands of educated men still in the Army who are in no position, from many causes, to make inquiries advantageously on their own behalf, or to take the most promising steps towards their own re-employment. Out of England for years, they have lost touch and acquaintance, and to some extent they have lost confidence in their prospects.

For the first time in their lives, perhaps, they need an intermediary. Many of them need advice, and more need encouragement. It is for these men that the Ministry of Labour, through its new department, seeks to cater. Everyone who knows anything at all about demobilisation has heard of Army Form Z15, on which soldiers of education ask for posts, or for training, if their craft or professional preparation was interrupted, to their serious prejudice, by their joining the Army. At the other end, the employer at home who is in search of suitable men intimates his need to the Ministry of Labour. Thus the two parties, employer and applicant, are brought within reach of each other.

On paper the scheme looks well. Its aim is laudable, and the methods chosen, though they have been elaborated against time, are fairly simple and direct. Success ought not to be doubtful. Yet the success of the scheme will depend, clearly, on the two parties making the fullest use of the facilities that are offered to them. The ideal result would be obtained if the Ministry had a monopoly of posts and applicants. That is impracticable. But perhaps it is not too much to hope that both parties will give the Ministry the first chance, or at least an equal chance with any other agency. The soldiers themselves are not likely to hang back. In point of fact the Ministry has the best evidence for its belief that very many men in the Army are trusting to it for a way out of their perplexities. An interesting pendant to the general policy of the Ministry was the dispatch of Civilian Advisory Boards to the various Army Headquarters abroad, five to the Armies and one to the lines of communication in France, and one to Italy. The Boards, each composed of six or eight professional men of very diverse experience, spent several weeks in dealing with soldiers of all ranks who cared to bring their personal problems to them. Part of the work of the Boards was with young or youngish men who might reasonably claim the benefits offered under the "six million scheme" of the Government. These cases pass, of course, through the Ministry of Labour, which seeks to find the necessary facilities for training or education. The Ministry has no facilities of its own. The success of this side of the work depends on the co-operation of all teaching institutions, a thing in itself easy to secure, since such institutions are always anxious to obtain clients. These institutions are suffering at the moment from lack of accommodation and staff and money—the legacy of the war. But there is little or no prejudice, there are no psychological obstacles, to be overcome before the work of intermediation can proceed.

The other part of the Board's work has been harder. Many men of all ages, unsettled by the war, are in doubt as to what sort of work to take up. Even if they were sure, they would still have to find openings. Multitudes more know very well what they wish to do, but are rather helpless and hopeless about getting a start. All of them grasp at the chance of help through the Ministry of Labour. But they will grasp in vain unless the Ministry has the support and the confidence of employers at home.

That it ought to have this help seems too obvious to need emphasising. The obligation on those at home to meet the soldiers half-way is self-evident. In such a matter the patriotism of employers ought to carry the day over their repugnance to dealing with or through a Government department. It is no use suggesting that a good man can always find work through friends, or because he is known. He may have lost his friends, and he may be forgotten. In the Army, moreover, he has been subjected to certain psychological influences which have robbed him of some of his initiative. In a real and a very insidious way his civil efficiency has been impaired. Nothing, to be sure, has happened to him that cannot be rectified within a short period. But for the moment—and it is the moment when he must try to get restarted in civil life—he is out of gear. There are hosts of sound and useful men who are applying through the Ministry as their only good means of making themselves known. The crusade which the Ministry is conducting on their behalf needs aid and publicity. Above all the Appointments Department at St. Ermin's Hotel needs intimations of vacancies by the hundred, and of all sorts. The tastes and wishes of the men at the front are very various indeed. Let the employers respond. They need not bind themselves to take any man the Ministry might send them. No such proposal, indeed, will be made to them. But they might well interchange intimations with the Ministry. They might light on the very man for their job, and the anxious soldier might light on his billet. The attempt, surely, is worth making.

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VIEWS OF THE MINORITY PRESS.

MR. JUSTICE SANKEY'S Report on the Coal Commission has occasioned less comment in the Minority Press than might have been expected—whether this reticence is due to a policy of awaiting the result of the ballot, or whether there exists a certain disappointment upon being deprived of the opportunity of cavilling at the recommendations, it is difficult to judge, but the fact remains that very few of these newspapers are prepared to commit themselves to any very definite line at the present time.

The Labour Leader (March 27th), in a leading article on the Industrial Crisis, makes no effort to disguise its approval of the Report, not so much on account of the generous terms offered to the men, but because "there is no possibility of meeting economically either the new conditions on the railways or in the mines until the public takes over the full ownership and complete control of these enterprises." The writer, somewhat disingenuously, expresses the opinion that it is a wise policy for the Trade Unions to accept terms which concede a very substantial measure of the demands rather than to resort to an unpopular strike (in which public opinion would be antagonistic). "We think it would be unwise to force the position further at the moment . . . there comes a time in every struggle when the best course is to stop the attack for a time in order to consolidate the positions won. This is such a moment in the industrial struggle. The time for another 'push' will come soon."

Miss Sylvia Pankhurst, writing in *The Workers' Dreadnought* (March 29th), describes the concessions as "poor terms," and she complains that there is no guarantee that nationalisation will be granted as a result of the further inquiry, no likelihood that "a capitalist Government will give the miners control." "Unless the rank and file take things into their own hands, the great Triple Alliance will subside as ignominiously as though it were a little union in a half-organised industry." She quotes Mr. Bonar Law's "threat" to oppose the strike and the effort of the Trade Union leaders to induce the men to accept the compromise, instead of taking up the challenge, as examples of "wire-pulling," in comparison with which "how grandly rises the vision of the Workers' Socialist Republic, in which all poverty and inequalities shall be abolished!"

A writer in *The Socialist* (March 27th) has "no hesitation in saying the miners would do well to stand firm and insist on

their full demands so far as hours and wages are concerned, and be content with nothing less." But as regards nationalisation, he feels sure that this proposal will leave the sensible miner and other workers generally without enthusiasm for " a system which has nothing to commend it wherever it has been tried but burcaucratic servility. The working class will not be deceived by all this talk of ' State Control ' . . . such talk is but an echo of the impending downfall of capitalism, which is driven to concentration for safety." " Nationalisation cannot solve the problem for the miners or the railwaymen. It never has solved it wherever it has been adopted. On the contrary, nationalisation in the hands of a capitalist Government is a source of strength to capitalism, since it not only has advantages, but offers an excuse for bringing the whole physical resources of the Crown into play whenever a dispute takes place, on the plea that the community is being attacked."

John Maclean says in *The Call* (March 27th) that, as one in touch with the rebels among the miners, he knows that the huge masses of the men are against the acceptance of a compromise, and he points out that the chief duty of the Reform Movement among the miners must be immediate effort to prevent the Executive from climbing down before the Government. This, he says, can best be done by communicating with the M.F.G.B. secretary, and organising mass meetings to stir up rank and file resistance to compromise, and as a last resort the Reform Movement may have to call the miners out in defiance of the Executive. " The ' reform ' men should remember that no compromise was shown by the Government and the capitalists on the Clyde during the recent strike, and that twelve workers are awaiting trial at Edinburgh. . . . Let there be no compromise on our side either, now that British capitalism is faced with a situation that, we trust, will break it up for good—the good of the world's wage slaves."

Tom Mann writes in *Solidarity* that since the Triple Alliance have formulated their demands for changes in working hours and conditions, all that has taken place shows plainly that Government Departments, State officials and all legal machinery are to be mobilised to checkmate the economic advance of the workers. " The real object of State officials and others of the plutocracy in negotiating is to get the workers cornered by admissions, and considerations, and postponings, and regard for other industries, their real object being all the time to ' down ' the workers." He considers that the plea of " reasonable regard for national interests " is one that only catches the " half-baked workman," who ought to know that there can be

no national interest of any value to him other than the immediate wiping out of poverty. This " the statesman cannot, they will not, do," the workers only can do it, and not by statesmanship and negotiation, " but by *direct action* in the workshops. Therefore, BE READY."

Freedom (March) describes quarrels about wages and hours of labour as " mere skirmishes in the Social War which will prepare us for the final struggle, when our battle cry will be 'down with private property! Down with all forms of authority!' "

The Call (March 27th) urges the Triple Alliance not to halt in its action for fear of public opinion. " The Triple Alliance is compelling Parliament to use its political authority for an industrial purpose. . . . To-day miners, railway men and transport workers are leagued together; to-morrow their alliance will spread until it is a league of all the working class. Then we shall not knock at the doors of Parliament. We shall command it."

Robert Williams (*The Herald*, March 29th) describes what he calls " the panic state of mind of the heads of the Government " at the prospect of a threefold strike. He epitomises his view of their position in the following words: " They can buy us off, if it is possible, but that merely postpones the (for them) evil day. They can resist us if they dare, and their beloved system must suffer any consequences that may come." " My advice to the organised workers, *and especially to the soldiers and sailors*, is this: Be prepared. Get on with the work of constructive and suggestive propaganda. If the Alliance can make the knees of authority tremble, what could the working-class in its entirety do? . . . Proletarian control should be brought about with comparative ease in this country. . . . Before many moons have passed the present position will have become intolerable. Then militant Labour must be ready. The one man who can above all others inspire us with confidence and therefore direct the storm is Smillie. . . . Speaking, I believe with knowledge, I repeat the sands of the Government are fast running out, and the hour of capitalist domination has struck. We are on the eve of the Proletarian Revolution."

The Socialist (March 27th) contains the first of a series of articles by J. T. Murphy, criticising the structure and basic weakness of Trade Unionism, and he announces that it is his intention to prove in the subsequent articles that the workers who are in the ranks of unofficial action have more justice behind them than is commonly supposed by their denunciators.

The Daily Herald, which made its first appearance on

March 31st, outlines its policy in the leading article of the first edition: "We shall try to voice the aspirations of Labour. We shall work unceasingly for a revolution, peaceful but complete, which shall destroy the present system of competition and force, and replace it by the rule of co-operation. . . . We believe in unity of interest between the workers and the soldiers (who are the workers in uniform), in unity of interest between men and women, in unity of interest between nations. . . . We believe in self-determination of nationalities (for instance Ireland, India, Egypt) and self-determination in industry." *The Herald* also stands for the withdrawal of Allied troops from Russia, the raising of the blockade, and the cancellation of "huge military commitments, of unearned rents and dividends." "This is our answer to those who tell us we are 'not constructive.' So far from being not constructive, we are offering the only alternative to destruction."

The Red Dawn, the first number of which was published in March, is described as a "magazine for young workers," and is published by the Proletarian School, Glasgow. Its ostensible purpose is to secure "the abolition of the Capitalist State and the inauguration of an Industrial Republic." John Maclean contributes an article, describing his life in prison, at the close of which he says that "if the treatment meted out to C.O.'s, Sinn Feiners and myself inspires all Socialists to kill the great enemy, Capitalism, this year, then we have not suffered confinement and its consequences in vain." Another writer says that "with the growth of International consciousness, there is an increasing recognition of the class-antagonisms in society, and the palmy days of the human parasite are numbered . . . news comes to hand of hundreds of thousands of men on strike throughout Great Britain and of the hoisting of the Red Flag on the mast of a British man-o'-war. . . . Is it the RED DAWN?"

Under the heading of "Towards Revolution in Europe," *The Labour Leader* reviews the situation in Germany, Bavaria, Austria, Hungary, Jugo-Slavia, France, Russia and the United States. We quote the preface: "International Socialists looking and working for the dawn of a nobler era with the ending of the darkness of Capitalist Imperialism have reason for almost exultant hope this week. Everywhere there are signs that the madness of greed inherent in the capitalist system has overreached itself. The predatory schemes of Entente Imperialism are everywhere stirring to life the Bolshevik anti-toxins destined to destroy them, and the Peace of genuinely democratic Socialism draws nigh."

FOOD FOR THOUGHT.

At a time like the present, when history is in the making, at top speed, a publication which appears only once a month suffers under a dual disadvantage. Current topics, of absorbing interest at the moment of their occurrence, have often already been worn threadbare in the daily and weekly Press before the monthly journal can have its say. Moreover, the accumulations of thirty days are apt to appear as such a formidable aggregate that the task of finding the needle in so great a bundle of hay is not a prospect to be regarded without some misgiving. On the other hand there is some compensation in the reflection that the danger of arriving at over hasty conclusions is diminished when events can be viewed in perspective and when second thoughts have had time to germinate.

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At last the long-threatened ultimatum of the Triple Alliance has been delivered. The pistol has been pointed at the head of the nation ; but, by the mercy of Providence, the weapon did not go off on this occasion. We must not forget, however, that its chambers are still loaded, the danger is not past by any means, and the situation has still to be faced with resolution, tempered, as we hope, by moderation and good sense, but squarely faced.

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In some quarters surprise has been expressed at the most recent development of the situation as between the Government and the Triple Alliance. It has come as a shock to those casual optimists who persuaded themselves that a long spell of fair weather is to be looked for whenever the clouds appear to lift—that another storm is already brewing. We refer to the announcement that the miners and transport workers have decided to boycott the Industrial Conference. Nobody who has more than a superficial knowledge of the underlying policy of the militant leaders of the Triple Alliance could expect anything else. As long as Messrs. Smillie and Williams are at the helm they will steer only in one direction, and that direction is very far from the path which leads to industrial peace. Why anybody should expect the irreconcilable to embrace goodwill is one of those things that no fellow can understand. The threat of the so-called National Conference, held under the joint auspices of the Trade Union Congress and the Labour Party, to call a general strike unless their political commands are obeyed is tantamount to a declaration of war against the whole conception both of democratic and of constitutional

government. Sooner or later the nation will have to choose between government acting through the elected representatives of the people, and the dictatorship of a minority group whose only claim to recognition is the physical power to enforce compliance with their demands.

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If we are to avoid the two extremes of lethargy and panic we must take long views, we must study tendencies as well as accomplished facts. We must correct our bearings from fixed data determined by what is past and, with the aid of imagination, must deduce the probable trend of future events.

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As we have so often pointed out in these pages, it is the left wing of militant organised labour that sets the pace and calls the time in all disputes with employers and the Government on industrial matters. Working-class opinion in the mass, whilst naturally inclined to support any movement which promises higher wages and shorter hours, is dispassionate, if not indifferent, when it is asked to exert itself in the political, or in the international, arena. If the " toiling masses " are consciously groaning under the yoke of " wage slavery," as the protagonists of the advanced Labour movement constantly affirm, the whole industrial system, so far as it governs the relations between Capital and Labour, would have collapsed like a house of cards at the last General Election. It is because the revolutionary leader knows in his heart of hearts that his song about oppressed majorities vainly struggling to liberate themselves from the iron-heeled domination of the few is all moonshine, that he prefers the bomb to the ballot-box. He knows that it is easier to coerce the easy-going than to persuade the indifferent. It requires but little acumen to perceive that the extremist gives away his case with both hands when he rejects " political " in favour of " direct " action ; for, if his premises are sound, his legitimate victory at the polls would be certain, overwhelming and permanent, whilst any success gained by violence or intimidation would be doubtful, partial and temporary.

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But those of us whose eyes are fixed on the hope of national stability as a whole rather than the triumph or defeat of any sectional interests, cannot fail to observe with alarm the leftward drift which has set in and which seems to be steadily gaining in momentum. If the Triple Alliance can only be restrained to-day with the utmost difficulty—after the Govern-

ment have just made very substantial concessions—and when one of their most powerful leaders, namely, Mr. J. H. Thomas, has exhausted every effort to maintain the peace, what will happen to-morrow when the leaven of intensive propaganda has had more time to work, when the Government has no further concessions to offer, and when moderating influences may not be available ?

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No greater mistake could be made than to imagine that there has been any change of heart amongst the extremists who provide the driving force behind the anti-national policy of the Triple Alliance. That organisation, like the High Seas German Fleet, was built, not for ornament, but for aggression. It threw down its challenge at what it believed to be the strategic moment, and cleared for action when it thought it was strong enough to win. Whether the extremists, miscalculating their strength, acted prematurely, or whether they were satisfied, *for the moment*, with the concessions which they succeeded in wringing from the Government at pistol's point, is an open question, but of this there is no manner of doubt whatever, viz., that they will relax no effort to enlist new sympathies and to screw up their organisation to the last notch of efficiency. They are stronger to-day than at any previous period in the history of the movement, and there is no indication that their strength is likely to wane in the future.

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And what is true of the Triple Alliance is also true of other departments of militant industrialism. Syndicalist and revolutionary propaganda is notoriously on the up-grade. More and more pamphlets are distributed, more and more missionaries preach doctrines that become more and more advanced, The *Weekly Herald* is converted into the *Daily Herald :* Workers' Committees on the Clyde model increase and multiply ; Leninism and Spartacism spread on the continent of Europe, and new areas are constantly being infected. In Britain the complaint is, at present, of a less virulent type than in Russia, Germany, Hungary, Spain or Austria, but its movement is on parallel and sympathetic lines. Whilst there is no marked improvement visible in the health of those districts which first succumbed to the malady, the process of contamination is constantly expanding its sphere of influence.

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To quote only one example out of many, the Burnley-Nelson-Bolton district, which until recently may be said to have been

almost untouched by any Syndicalist influence, is now, owing mainly to the propagandist campaign conducted by the declared Bolshevist, John Maclean, and his lieutenants, the centre from which revolutionary Syndicalism is distributed for the consumption of the operatives in the cotton industry. Many Workers' Committees have already been formed, and a conference held at Burnley on March 15th was attended by eighty self-confessed "revolutionary spirits of the rank and file." This conference unanimously resolved to demand a thirty-hour week, £1 a day minimum wage, and joint national control of the cotton industry. There is nothing particularly alarming about this resolution, but the significant points are (*a*) that only a few months ago such a programme would have been laughed out of court, and (*b*) that John Maclean is now busy advocating a four-hour day—not on the plea of lack of leisure, but for the declared object of harassing the owners of the mills and disorganising industry.

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A large section, if not the bulk, of the Metropolitan Police is dissatisfied. This dissatisfaction will not be decreased by the Cabinet decision to refuse recognition to the Police Union. If the men are determined that their union shall be recognised, no Cabinet decision will prevail against them. If the Police forces are affiliated to any one political party you get Tammany in an acute form, and the undesirability of such a connection may be gauged by the protests which would be raised by, say, the Labour Party if the Metropolitan Police were affiliated to the Conservative caucus. Is there no *via media* between these alternatives? We believe there is. If the Government really believes in the Whitley scheme, let them apply that principle to the police forces, reserving safeguards against police participation in sympathetic strikes.

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A telegram from Helsingfors says that, according to official statements, the Bolsheviks, up to March 1st, spent 300,000,000 roubles on propaganda in foreign countries. A large sum is said to have been spent in financing British papers.

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The National Socialist Party's anti-Bolshevik campaign will open on April 4th, with Mr. H. M. Hyndman in the chair. Subsequent meetings have been arranged to take place at Reading, Edinburgh and elsewhere. We may rest assured that Mr. Jack Jones, M.P., will hit the right nail on the head, and that with his accustomed vigour.

No. XXI

MAY

MCMXIX

"National prosperity transcends sectional interest."

INDUSTRIAL PEACE

CONTENTS

Current Economic Fallacies

Practical Economics

A Labour Memorandum

Parliamentarism in Industry

Ministry of Labour Employment Exchanges

Trade Policy—Imperial and International

Views of the Minority Press

Food for Thought



INDUSTRIAL PEACE

CURRENT ECONOMIC FALLACIES.

ECONOMICS—*i.e.*, the practical science of the production and distribution of wealth—has never been studied by any considerable section of the working classes in the past, and it is highly improbable that the future will show any improvement in this respect. It would be waste of time, therefore, for anybody to re-write the standard text-books on the subject, or to attempt to bring the conviction of economic truth into the homes of the people by any ordinary educational process. Unfortunately it is in the nature of things, and will remain so, that one party in industry believes himself chiefly concerned in the production, the other in the distribution of wealth.

The economic fallacies which hold the field at the present time owe their origin to two main sources. (*a*) The development of Trade Unionism on lines determined by tradition, expediency and rule of thumb, without sufficient correction by reference to first principles. (*b*) The partisan teaching of those who are dissatisfied with the conditions of the present social system and who, starting with the preconceived idea that it is the system itself which is to blame for every human ill, have evolved various economic theories by the synthetic method. This consists for the most part in selecting and co-ordinating certain dubious facts and presumed tendencies which fit in with the desired conclusion, and in denying or disregarding all premises, arguments and experiences, the trend of which points in other directions. Whilst it is true that the results so arrived at are often embodied in a more or less comprehensive system—as, for example, in *Das Kapital* and in the programme of the National Guilds League—such substantial provender is intended, not for the masses, but for the missionaries. The latter must be provided with arguments which they find satisfying, the former are more conveniently and more acceptably fed on tit-bits compounded of catch-phrases deftly flavoured with an appetising admixture of humanitarian sentiment.

Trade Unionism came into being at a time when the social theory of individualism was too often interpreted to mean that the manufacturer could do what he pleased, but that the "hands" he employed had to make the best of a bad job without appeal or redress. Trade Unionists, therefore, had no need to concern themselves with economic theories. They had quite enough to do to fight for the bare necessities of a

decent standard of living. Their organisation was directed towards securing a practical measure of defence against exploitation. When they recognised that *l'union fait la force,* and that the weaker vessel invariably goes to the wall, combination became the prime virtue. When they found by experience that employers took advantage of internal dissensions amongst the men to regain their former ascendancy, blacklegging became the one unpardonable sin. When the better educated master class developed a faculty for out-manœuvring their opponents in the committee-room by the skilful use of Rules of Procedure, the men's leaders soon became pronounced and expert adherents of constitutional principles in the department of collective bargaining. When, as sometimes happened, changes in the method of payment resulted in greater output without any increase in remuneration, every deviation from the recognised custom of the trade or district became suspect, and the policy of ca' canny became the answer to "speeding up." Under these circumstances it was only natural that Trade Unionism should be moulded by the expediency of the moment rather than rooted in economic truth. The whole gospel of Trade Unionism is permeated with tradition, and this influence is inherent and not to be eradicated in a generation. The fallacy that the introduction of machinery deprives manual workers of their jobs is founded on a historic, though a partial, experience; it will take time to persuade the masses that the contrary thesis is based on a still truer and more comprehensive industrial law. The belief that there is a fund of limited capacity out of which wages are paid gave rise to the fallacy that if one man takes too large a share of this fund somebody else will have to go short of a job. Limited personal experiences teach us to argue from the part to the whole; a wide outlook is required before we can reverse the process and reason from the whole to the part. It is an elementary calculation to deduce that the hardships of unemployment can be mitigated by sharing out the work available at a given moment amongst the largest number of people. It is less easy to arrive at the conclusion that the best way to alleviate poverty is not in abbreviated hours but in unrestricted output.

It will be seen, therefore, that any theoretical instruction in economics which runs counter to the practical lessons acquired by experience in the evolution of Trade Unionism possesses but a slender chance of acceptance so long as it has to compete with a contrary theory which is founded upon, and adjusted to, the systematic interpretation of experiment, however lop-sided or partial that product may be.

It is unnecessary to attempt to tabulate all the economic

fallacies which have descended to us as a legacy from the short-sighted handling of Trade Unionism in the past. They are, no doubt, a handicap, but with the spread of knowledge and with the advent of improved conditions they will become less and less a drag upon industry, and new conclusions will follow upon the introduction and comprehension of new data. The great thing to remember is that the "network of Trade Union rules, agreements, usages and customs" is not the result of pure cussedness, as some seem to imagine, but the natural outcome of a transition stage of industrial evolution.

When, however, we examine the second main fount of current economic fallacies we come up against a very different proposition, and one which is so dogmatic that it refuses to reason, and so self-sufficient that it dispenses with argument. It is easy to go wrong when brick is added to brick as occasion seems to warrant and without any definite plan in view; but it requires an anti-social mentality, reinforced by much perverted ingenuity, to distort facts and to misrepresent tendencies with the deliberate object of creating strife. In pursuit of this quest the unities of time and place are regarded as being of no consequence, truth and falsehood lose their identity, no allowance is made for historical or geographical conditions, and nothing has any worth or significance unless it counts for or against the waging of class war. Karl Marx was a German who was born more than a hundred years ago. Adopting the ideas of another German, Weishaupt, who flourished about 1776, and possessing, in an outstanding degree, the Teutonic genius for exaggerating and standardising differences, he laboriously developed an elaborate system which, whatever its demerits in other respects, has at least the gift of vitality. He had no sympathy for, and no understanding of the British, in spite of the number of years spent in England. He believed in thoroughness, and when he set to work to manufacture a cast-iron theory, he started at the wrong end by enthroning Strife on a pedestal and dragooning his arguments like so many acolytes to minister to the false god of his adopted conception. Even if Marxism had been the product of the times in which its author lived, and well adapted to the needs of his native country, the question would still arise whether it is applicable to the future generations and appropriate in a new environment. Indeed, it may fairly be assumed that had Marx been an Englishman and lived in the nineteenth century, he would never have committed himself to the ruthless and barren doctrine with which his name is associated. But his followers in this country have learnt nothing and forgotten nothing. They cling tenaciously to one idea, and if they have

occasion to change their instrument or to vary their key, the tune is always the same. They harp on the alleged diversity of interest between Capital and Labour which they declare is inevitable and continuous, and they din this refrain into their ears until it becomes an obsession. They believe passionately in the three cardinal principles of the Marxian philosophy—the law of the class struggle, the materialistic conception of history and the theory of surplus value. Needless to say the different factions are widely at variance among themselves in the domain of reconstruction, but in the province of demolition there is little to choose between them. Certain phrases, which differ in their wording, but which in practice mean much the same thing, have become standardised and serve as battle cries to rally all and sundry under one common badge of servitude—the Red Flag. Thus the B.S.P. adopts the motto "Complete social democracy on Marxian lines." The Syndicalist claim is that "the workman should own his own tools, control his industry and fix his own price for his product." The policy of Guild Socialism is summed up as "the abolition of capitalism and the wage system." The New Unionism advocates "direct action" as a means of forcing employers out of business." The Socialist Labour Party insists that the workers shall "enjoy the whole product of their labour." The I.W.W. favours the "One Big Union" and repeats the communistic chant, "Workers unite—you have a world to win! You have nothing to lose but your chains." The belief that Labour, in a restricted sense, produces all wealth, coupled with the assumption that human nature would undergo a complete metamorphosis consequent upon the universal introduction of Socialism, is at the root of nine-tenths of the economic fallacies that are so rampant at the present time. Intelligent propaganda should concentrate, therefore, upon the task of removing the misconceptions that give rise to these twin errors. Another widespread myth is the idea that the development of foreign markets, though profitable to the capitalists, is injurious in some mysterious way to working-class interests. The benefits that accrue to all classes of the community from the expansion of foreign trade should accordingly be demonstrated by simple, but convincing, examples drawn from practical experience.

There is no subject on which misrepresentation is more rife than in connection with the present distribution of wealth. Unfortunately authoritative figures are not available for a complete analysis of the national income, but much enlightenment would result if steps were taken to prove in individual cases the crude falsity of the calculations indulged in by Sir Leo Chiozza Money and his disciples.

PRACTICAL ECONOMICS.

'Is it not the business of Political Economy as a science to examine the various forms in which men may unite their powers and divide their employments, with a view to greater and more widely diffused prosperity?"

TOWARDS the end of the 18th century the economist Malthus propounded the doctrine that the produce which nature returns to man ultimately determines population; that she yields greater supplies of her treasures in return only for ever-increasing efforts, and that, therefore, no densely populated territory can supply its inhabitants with an abundance of the necessities of life. In brief, that poverty is the necessary corollary of an increasing population.

Division of Labour as the First Essential of Economic Organisation.

Malthus was right in his doctrine so long as the conditions of his age were the only possible conditions of society. Man, working alone, by his own unaided effort obtains from a generous soil a sufficiency of those things which are essential to his family life. Driven by the force of an increasing population to cultivate soil of less abundant yield, he must limit the number of his dependents, or suffer want. But the history of industrial evolution is the history of the organisation of men into co-operative groups opposing the force of invention to the increasing niggardliness of nature. As population increases the effort of each man must either be greater or account for a larger product. The provision of the means to this latter end is the genesis of economic organisation. Judged in relation to the present population of the world, and its probable rate of increase, the resources of nature are boundless; but without human labour the reluctant elements cannot be converted into power and light and heat and the forms of wealth adapted to our needs.

It Involves Specialisation and Co-operation.

The inventive power of man, constantly discovering new resources and devising new processes whereby greater quantities of goods result from equal or less effort and the consumption of smaller quantities of natural supplies, gives us the solution of the problem of subsistence; the organisation of men into co-operative groups working for distant and common ends, is the method by which the solution is arrived at. This group organisation of men may be said to have its origin in the inability

of the individual to achieve certain desired results by his own unaided efforts. The corollary of co-operation is specialisation and, from the individual point of view, subdivision of function is the stepping-stone to economic progress. Because division of labour is our only known means of increasing the product resulting from a given amount of work, it must be accepted as the essential machinery in the economic organisation of an advancing civilisation. The Red Indian fashions a canoe out of the birch-bark ready to his hand, but the highly civilised man of to-day who aspires to enjoy the crops of more fertile lands beyond the seas must submit himself to the restraints of a very fine subdivision of labour before he can produce a *Mauretania*.

Limitations of the Value of Specialisation.

But it is not enough that we accept the fact that specialisation or subdivision of function and process increases man's power to produce wealth, and proceed blindly to build up our economic system on this "inevitable" basis. To gauge the true value of the principle in social life and avoid the danger of destroying its service by ignoring its limitations, we must remind ourselves first of all of the nature and purpose of wealth, and then investigate the relation of the industrial system to the social system as a whole, and of the power of the one to shape and determine the other.

Advantages.

Subdivision of labour is an instrument devised by man for the attainment of his greater welfare. Specialisation is all to the good in so far as it diminishes effort in relation to product, leaving man an increased surplus of leisure in which to cultivate interests unconnected with the provision of the necessities of life, relieves him of the cramping anxieties attendant on climatic vagaries which may at any time destroy his labour in the fields or amongst his flocks and leave him exposed to the dangers of famine, and provides him with such wonders of the age as electric power and light, wireless telegraphy, the mastery of the sea and of the air.

Far-Reaching Effects Upon Society.

But when we speak of the triumph of specialisation in increasing the wealth of man we must take care not to lose sight of the things that constitute real wealth: a sufficiency of life's necessities, leisure to enjoy and to realise the broader purposes of life, some share for all of the comfort and freedom from exhausting toil conferred by the organised application

of the discoveries of the age. The mere multiplication of goods which either do not satisfy real wants or only tend to create artificial needs in the more fortunate classes of the State, whilst leaving the bulk of the population outside the reach of the greatest boons that specialisation should confer, is not the true increase of social wealth. Although the industrial system is both nominally and in reality only a fragment of life, the instrument, as it were, wherewith man satisfies his physical needs, it does, nevertheless, to a very great extent, create the forms of the social life. Upon the division of labour and the form of the industrial system depend the stratification of society and the status of the various groups. The increasing power of man, realised in the 19th and 20th centuries through the medium of ever larger schemes of combination with their concomitant of more and more minute subdivision of function and of process, creates numberless grades of workers highly specialised for particular purposes.

Disadvantages.

The advantage is undoubtedly economy in work, but against this must be set the instability of tenure from the individual's point of view, and the creation of rigid groups making for continual friction, class hostility and instability from the point of view of the State as a whole. Specialisation tends to limit a man's craft knowledge to a fragment of a process, so minute and so remote from its final purpose that its educational value is nil, that its monotony and dependence solely upon mechanical dexterity exclude initiative and stifle those qualities which determine the development of character. The narrow limits it imposes tend to drive him into small, unstable factions bent only upon self-preservation, inimical to the competition of new-comers or new processes and methods. It concentrates the work of direction, organisation and initiative into the hands of the few and leaves the mass dissatisfied with the knowledge of their dependence and helplessness, yet rendered incapable of greater things.

A Two-Edged Weapon.

Specialisation is *the* principle on which the organisation of a modern State necessarily rests. But however fertile and beneficial the results, it must involve certain *sequelæ*, which, unless countered by specific measures, or prevented from assuming serious magnitude by a careful modification of the principle and rigid subordination of the instrument to the welfare of the community as a whole, threaten to annul the benefits obtained, brutalise the beings for whom it is created and culminate in ignorant anarchy and destruction.

A LABOUR MEMORANDUM.

THE Report of the Provisional Joint Committee of the National Industrial Conference, which was adopted at the second meeting of the Conference, on April 4th, contains, as an Appendix, a Memorandum, presented by the Trade Union representatives on the Committee, on the causes of, and remedies for, labour unrest. The Memorandum is of great importance, for it is a reasoned statement presented by representative Trade Union and Labour leaders, and it is an appendix to a report which embodies far-reaching proposals on vital industrial problems which were unanimously subscribed to by a Joint Committee and by a National Conference representing both employers and employed. The fact that the proposals referred to deal constructively, and in some cases radically, with the problems dealt with in the Memorandum, and that the Prime Minister has already intimated that the Government is in substantial agreement with these proposals and intends to deal with some of them immediately by legislative measures, takes some of the sting out of the Memorandum; but it remains, nevertheless, a document of real value and significance.

Let it be said at the outset that we have read the Memorandum in no prejudiced spirit, but rather in heartiest sympathy with the claims which the Trade Union and Labour movement is making for better conditions of work and life, and for a larger share in the control of industry, and in determining the conditions under which industry shall be carried on. But such sympathy does not necessarily carry with it a complete acceptance of an analysis of the causes of labour unrest or of proposals to remedy labour unrest which may be put forward by a committee of Trade Union and Labour representatives. We agree substantially with the proposals embodied in the Report of the Provisional Joint Committee, but we are of opinion that a number of statements in the Memorandum presented by the Trade Union representatives on the Committee call for some critical examination. We purpose to deal with three of them.

The Memorandum states in its opening paragraph that

> . . . the representation of Labour in Parliament not only has a political aspect, but also provides, under favourable conditions, the best possible safeguard for a constitutional ventilation of economic grievances, and the under-representation of Labour in the present House of Commons must, therefore, be classed, to this extent, among the economic factors, as well as among the political factors, in unrest.

That is, undoubtedly, a statement of fact; but it is hardly fair to leave so important a matter in the form of a mere statement of fact. The Labour Party had long prepared, financially and by organisation and by propaganda, for the General Election; it had, in fact, given itself a new constitution, partly with a view to improving its prospects at that election; and, when the election came, the number of its candidates was not only unprecedented in its history, but one which would have appeared, two or three years ago, to be impossible. It is true that Labour, on the strength of its polling at the election, is under-represented in the House of Commons; and it is equally true that this is one of the causes of labour unrest; but, after all, the under-representation of Labour in the present House is due primarily to certain defects in our present electoral system, defects which the Labour Party in the past has done little or nothing to remove. Such under-representation can be prevented only by some system of Proportional Representation; and the Labour Party had always notoriously been divided on that question, till, just over a year ago, it adopted, rather as a pious recommendation than as a determined resolution, the principle of P.R. To leave the matter, then, as a bald statement of fact is hardly consistent with a real appreciation of labour unrest and its possible consequences. One might go farther and say that the bald statement of fact may do something which, we are sure, was far from the intentions of those who framed the Memorandum: it may encourage that tendency, already perceptible in certain Trade Union quarters, to use industrial organisation and power for purely political purposes. The tendency to force measures of foreign policy, for example, by threats of industrial action may lead to dangerous crises for the nation as a whole, and it may ultimately disrupt the whole Trade Union and Labour movement.

Another somewhat disingenuous statement in the Memorandum is that which presents the Prime Minister's counsel of "audacity" to the Trade Union and Labour movement as one of the material causes of labour unrest. The statement contrasts this counsel with the Government's policy, or lack of policy, towards industrial reconstruction; and while it may readily be granted that the Government has so far taken no line that can be called audacious, allowance should be made for the fact that caution is as necessary as audacity in the task of transforming a great nation's life and industry from the conditions of world war to the conditions of peace. And it may be added that if there be any justification for regarding the Prime Minister's counsel of "audacity" as a material cause of labour unrest, there is at

least equal justification for believing that the Trade Union and Labour movement has taken that counsel to heart, and that the Prime Minister has thus been a material cause of those great betterments of hours and other working conditions which have recently been secured by the workers in so many industries.

With the demand of Labour for a larger share in the control of industry we are largely in sympathy. The time has come when the hitherto existing organisation of industry must be considerably amended, and one of the necessary and immediate amendments is that the knowledge and experience of the workers should be enlisted in the task of developing industry and in improving the conditions under which industry is carried on. But there are certain assumptions made by the Trade Union and Labour movement which are not at all justified and have elements of danger in them. One may readily and fully agree that the workers should no longer be prepared " to acquiesce in a system in which their labour is bought and sold as a commodity in the labour market," and that " they must be treated in future not as ' hands ' or part of the factory equipment, but as human beings with a right to use their abilities by hand and brain in the service, not of the few, but of the whole community." But it is another matter when assumptions imply that the present system of industry can be adequately described as one " under which industry is conducted for the benefit of the few," that the whole structure of capitalist industry as it now exists has failed, and that national, municipal and co-operative ownership and control should generally supersede the present system. It is true that the Memorandum does not categorically say these things, but merely puts them forward as conceptions in the minds of the workers and, therefore, as causes of labour unrest ; and it is equally true that in the section of the Memorandum dealing with " Remedies for Unrest " no demand is made for a general supersession of the present system of industry by one based upon public ownership ; but it cannot be denied that the assumptions mentioned above are very prevalent to-day in the Trade Union and Labour movement and will become still more prevalent in the future. They are not by any means new assumptions. They have always been part of the creed and propaganda of the Socialist movement ; but they have got far beyond that stage now and are probably held by the majority of organised workers to-day. They are assumptions, therefore, which cannot be ignored in so far as they help towards a wise and thorough reorganisation of the present industrial system, and in so far as they help towards making clear which industries and services ought to be under

some form of collective ownership and control, they will work for good ; but, applied in their widest implications, their results would doubtless be anything but beneficial either to industry or to the workers. The war ought to have shown the nation many of the inherent defects both of the existing system of industry and of Government ownership or control of industry, and it ought also to have shown many of the respective merits of each. The time is, therefore, not one for plumping for either one system or the other. The plain duty before us is to aim at some wise and practicable demarcation between the two, and at the improvement of both. But it is evident, too, that the imperative need of to-day is the rebuilding of the nation's industries, and that that need can be fulfilled, under existing circumstances, mainly upon the basis of what is called capitalist industry. Whatever the future may hold, industry cannot pass at once from a capitalist system to a system of nationalisation. Time and experience are essential to that transformation. But it cannot be made too clear that in the immediate process of rebuilding the nation's industries the human element must receive far more consideration than it has received in the past. We hear, and rightly hear, a great deal about the need for increased production ; but, if increased production is to be achieved and maintained, it is essential that the workers be recognised as human factors in industry, with a knowledge and experience necessary to the effective conduct of industry, and with needs and aspirations which demand that industry shall be so organised as to secure the largest possible measure of joint action between employers and workpeople both for the development of industry and for the improvement of the conditions of all who are engaged in it.

This, of course, opens up the whole question of the democratic control of industry, and it is, we believe, no exaggeration to say that few questions are exercising the minds of keen trade unionists so much to-day. The Memorandum states that " they (the workers) are beginning to assert that they have a human right to an equal and democratic partnership in industry." There can be no doubt of it. But we believe that those who make this (for the present, at least) extreme demand are only a small minority. Next to questions of wages and hours there is probably no other industrial question so insistently present in the minds of trade unionists, and none to which they will give more attention in the future. Few—least of all, perhaps, the more intelligent trade unionists—would declare that the industrial workers could here and now control an industry or a factory, or that any industry or factory could be run with its present measure of

efficiency if the workers were admitted to "an equal and democratic partnership" with the management. But no one who knows anything at first hand of the industrial world can deny that the question of securing some measure of democratic control of industry is a very real and living and urgent question to a rapidly-growing number of level-headed British workmen. The question is, therefore, one that must be faced both by individual employers and by associations of employers. There are many indications that the best line of solving this problem is that provided by the threefold structure recommended by the Whitley Report—namely, National Joint Industrial Councils, District Councils, and Works Committees. There is no other method by which the too often rival interests and views of employers and employed can be discussed and considered; by which each side in industry may get to know each other, not only as employers' representatives and workers' representatives, but as men; and by which the workers can acquire a clear knowledge of the complexities and the difficulties of organising and conducting an industry or a factory. And it may be assumed that the members of the Provisional Joint Committee of the National Industrial Conference and of the Conference itself, employers and employed alike, are generally in favour of the Whitley Report. But it can hardly be emphasised too strongly that while the formation of National Joint Industrial Councils is showing encouraging progress, the formation of Works Committees has hardly yet been tackled to any extent. And yet it is the Works Committee which appeals to the individual trade unionist. It is there that the co-education and the co-operation of employer and employed can best begin, and the common and the special functions of each be best realised and co-ordinated. If the Memorandum had given a lead in this direction its value, already great, would have been increased.

There are many highly controversial matters in the Memorandum, but we should like, in a last word, to stress rather the fact that there is a very great deal in the Memorandum that every clear-minded observer of industrial problems will agree with, and that the Memorandum constitutes, together with the Report to which it is attached, a document of immediate and capital value.

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PARLIAMENTARISM IN INDUSTRY.

Among the many recent publications of the Ministry of Labour is a Directory (January, 1919) of Joint Standing Industrial Councils, Interim Industrial Reconstruction Committees and Trade Boards, with an index of members. There are nineteen of the first, twenty-five of the second, thirteen of the third. There are, besides, eighteen trade Committees busy drafting constitutions for Joint Industrial Councils. These councils and committees, the growing progeny of the Whitley Reports, provoke reflection. In some quarters they are hailed as wonder-working novelties. Whole classes of the community that before the war were indifferent towards industrial claims and movements, or unaware of them, now exhibit a pathetic faith in Joint Councils as the panacea for all industrial troubles. "Give them Whitley" is the ready prescription of many people who understand neither the disease itself nor the "dose" from which so much is hoped. On the other hand, there are many to disparage the Joint Councils as being neither new nor anything but the indication of a method which cannot abolish nor evade the material difficulties, and which, therefore, are not likely to produce results very different from those of less advertised methods in the past, or of no methods at all. Let us attempt a sober estimation of them.

The public has already taken to calling the National Councils "Parliaments." But the public, probably, has not reflected much on the process of parliamentarisation which is making such headway in the civilised world just now, or on the virtues or the limitations of parliamentary practice. Thus the League of Nations embodies an attempt to parliamentarise international affairs. Its work will include such labour questions as have an international bearing. It will have a location and a staff, and it will be a permanent instrument of knowledge, enquiry, discussion and decision in certain departments. When all is said and done it will still be just a method of solution for specific classes of problems, neither more than that nor less. The character and prospects of the new Councils may perhaps be usefully gauged from a consideration of the powers, potentialities, idiosyncrasies and failures of the parliamentary method in its familiar political forms. The era of parliamentarisation in industry, by the way, has coincided with a temporary eclipse of parliamentarism in politics. The circumstances of the war

have impaired the habit and the power of public discussion and decision.

In the political sphere, Parliaments, once set up, become very jealous of any return to the freer and more violent methods of settlement that preceded them. Nor can they, nor will they, tolerate much violence in the other departments of the community's life. You may think settlement by discussion an unsubstantial and artificial method, weak intrinsically and strong only when combative parties and interests happen to be fairly well-matched. Or you may regard it as a cynical consecration of the violence of majorities, a very martyrdom for minorities; as merely a sophisticated form of the old pre-parliamentary violence. It is easy, however, to overrate the importance of the majority principle. This principle does not mean that it is the duty or right of any person or party to seek out social or other differences or predilections and bring them in cold blood to the gratuitous issue of a vote. Parliamentarism means rather that if a decision is unavoidable, and if discussion discloses irreconcilable views, the majority view must prevail. Discussion is really the central element. In practice discussion redresses—and often to an undue extent—the handicap under which a minority fights for its view. As regards the charge of artificiality and weakness, it is worth suggesting that in certain spheres of human action things weak in appearance are yet ordained for the confusion of things that seem strong. Thought and speech, in one sense, are weak things. A parliament is not "terrible as an army with banners." Yet thought and speech, the pride of parliaments, are the ultimate creative agencies among men. They create, destroy, renew and dissolve away. They are only possible in an atmosphere of freedom and tolerance, both of which in turn they promote. They are fruitful in proportion as the social atmosphere ranges between a frigid tolerance and active co-operation. Thus parliamentarism implies specific activities, a distinctive spirit, and a somewhat severe formalism. Consider the results. The publicity, the fullness, the privileged character and the very ritual of parliamentary discussion affect controversies very powerfully for good in diverse ways. They are deterrent. Some claims and cries, and some of the answers to them, cannot bear the light of day. In other matters, again, they are corrective; while others gain cogency from being aired and canvassed publicly. The instrument whereby all this is done, the parliament itself, acquires a personality. The temper of our own parliament, for instance, patient, tolerant, sophisticated, accommodating, is one of the nation's best assets. It is a

standing proof that decision and effectiveness can be combined with friendliness and goodwill.

Parliaments, therefore, set their faces somewhat severely against indulgence in violence. They spring from the conciliative impulses, which are just as real and natural as the minatory or destructive impulses and far more worthy of respect, and once they arise they reinforce the conciliative impulses and develop them into powerful sentiments. Their success depends in considerable measure on their attracting to themselves men whose gifts of insight, imagination and expression are above the average. In a parliament of competent men the soul of a nation may commune with itself very effectively. Such a focus of opinion and purpose, despite the variety and extent of the subject-matter, will promote not congestion or confusion but a clearing of the issues. Institutions, of course, are very much at the discretion of those who work them, though institutions that rest on and promote publicity may resist corrupting tendencies and survive the inadequacies of their *personnel* better than other sorts. And, in virtue of their status, parliaments are able to impress their outlook, their distinctive moods and mental attitudes on the community. *Vires acquirit eundo* is true of the parliamentary idea, which is capable of a wide range of " modalities " and of multifarious applications. But with certain ardent spirits parliamentarism will never be popular. It consists in talk, they think, and ends in talk. They find it slow, unpractical and academic. Its obstructiveness offends them, and its final tyrannous " No " is an irresistible challenge. These criticisms of the extremists are true, of course, but their truth disquiets only the extremists themselves. It is the mark of an extremist either to be exercising tyranny or, as he thinks, to be enduring it. The mass of men are unambitious of tyranny for themselves and impatient of it in others. They acquiesce in the parliamentary method, and, faulty as it may be, they respect and prize it.

The new Joint Councils are scarcely as yet in full operation. It is not even clear how far they will carry out or provide for the various functions of parliaments, judicial, legislative and executive. The distinctive needs of the present time are the decentralisation of control and the building up of local autonomy through the practice of conciliation by competent authorities on the spot, in preference to quasi-judicial arbitration which may be done at a distance. There is plenty of work in front of the Councils. Parliamentarisation will not come at one stroke. When the Councils begin to tackle the big questions that await them they will disappoint some of their friends, those, for

instance, who build great hopes on their preventive efficacy. Though a Parliament sits at Westminster, there are prisons and policemen up and down the land, just as although these preventive agencies exist, vices and criminals abound. "Whitleyism" is not a vaccine that confers a general immunity. It will put an initial check on some kinds of trouble, but not on all, and certainly not on the most serious kinds, which it will nevertheless be able to deal with in its characteristic way. But it is sure to enrage the extremists, both on practical and theoretical grounds. The Councils, like other Parliaments, will take themselves seriously. Their insistence on the peaceful methods of settlement towards which their bias leans may prove to be somewhat imperious. In them we shall at last have an institution, distinct from the State and from any organisation of consumers, which is prejudiced in favour of peaceful solutions, and which, from its measure of initiative and the authority of its mood, will be capable of awakening a response in the public mind and of rallying support to itself.

All this, you may object, goes beyond the present constitution and purposes of the Councils. But it is clear that the road by which the Councils have set out will lead almost directly to a fuller parliamentarisation. Every step in that direction is a step forward. At certain points in the advance—which, however, are not in sight at present—new problems will emerge: the problem, for instance, of the relation between a successful trade Parliament and the general body of consumers. But the need of the present moment is the parliamentarisation of the inside relations of the trades. If parliamentarism succeeds there it is not likely to fail in the consequential problems.

In proportion as the Councils become operative and influential the extremists will make their opposition to them felt. This paradoxical result may lead some in the immediate future to conclude that "Whitleyism" is a failure. But in the coming period strife and hostility will be, in reality, the best augury of their success. In national politics the extremists have recently had a severe rebuff. By way of reprisals they will probably seek to assert themselves in the industrial sphere. They will attempt, under the coming parliamentary régime in industry, to provoke deadlock within the parliaments, and their discredit outside; or perhaps to corrupt them into instruments of propaganda and officialism. It is certain that the new Councils will be exposed to an exceptional combination of dangers. They can best be fortified by developing the confidence of the community in the goodness of parliamentarism.

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MINISTRY OF LABOUR EMPLOYMENT EXCHANGES.

THE Employment Exchanges are struggling manfully to carry out their share in the State's Demobilisation scheme. The occasion is momentous. The time has arrived for the Exchanges to justify their continuance by proving themselves to be an efficient and essential part of the national machinery for the handling of social and industrial problems. It is admitted that the present conditions are abnormal, but the Exchanges were created to meet such conditions, and we feel, therefore, that it is a just criticism to say that the Labour Employment Bureaus are being fairly tried, and are being found wanting. The inevitable hiatus involved in the change from war to peace occupations is thereby widened and an unnecessary increase of poverty, industrial unrest and commercial lethargy is the outcome.

The Ministry of Labour Employment Exchanges—originally designated Board of Trade Exchanges—were primarily set up for the purpose of diminishing unemployment by increasing the fluidity of labour. The bugbear of modern industrialism is undoubtedly the ever-increasing threat of considerable numbers of able and willing men being unable to support themselves. Or, to express the fact in another way, our economic organisation is incomplete, and there is always the possibility that some slight maladjustment of production and consumption will at any moment result in a surplus of labour which the organisation cannot absorb—and, under a system of subdivision of labour, the man who cannot find a market for his work must starve. Given these facts, it is obviously only bare justice that the men whose labour cannot be absorbed—*i.e.*, the genuinely unemployed —should be cared for by the society of which they form a part. We do not propose to enter here into the question of unemployment; our views on the subject have already been expressed in a previous paper.* Our object is rather to insist upon the importance and value of the principle underlying the Employment Exchanges. Up to date no cure for unemployment is in sight, but means for the prevention of some of its worst evils are rapidly unfolding. The obligation to do all that lies in our power to minimise the individual suffering and national loss entailed is, of course, unquestioned. The function of the Employment Exchange is to bring work and worker together.

* *Unemployment*, INDUSTRIAL PEACE, Vol. III. No. 3, p. 72.

The ideal conception of the Exchange is that it should form the centre at which *all* work and labour meet. If this could be achieved there would be a real chance of dealing justly and humanely with the evil effects of unemployment. The case for the Employment Exchange is well and fully stated by Mr. A. G. Pigou, whose words we quote: "The modern Labour Exchange, when it is developed so far as to constitute, not merely a bureau of information, but an actual centre of engagement, will itself take over the task of searching for work. The individual workman, no longer having to perform that task at all, cannot be made slack about it by his knowledge that unemployment benefit exists. It will no longer be possible for anybody to pretend to be out of work involuntarily, when he is really out of work on purpose. If he is out of work in spite of an offer of work from the Labour Exchange, then he will certainly be out of work on purpose; if he is out of work because the Labour Exchange is unable to make him an offer he will as certainly be unemployed in the strict sense." And given proper means of determining legitimate unemployment the main difficulty attendant upon the granting of adequate unemployment relief would, to a very great extent, disappear.

Faced as we now are with the problem of unemployment and its relief; acutely conscious of the individual's helplessness and of our joint responsibility, the public of to-day, more than at any previous time, turns hopefully to the Employment Exchanges, upon whose performance many have staked heart and soul. But there is a hitch in the smooth running of the machinery. The Exchanges have never been popular. They have always been used only as a last resource. Past experience has led the employer to the conviction that workers recruited through the Employment Exchanges are too often second-rate; and the workers' experience is that after much filling up of forms, and much time and energy lost in repeated calls at stated times, the best jobs are not available through that medium. Employers still pursue a policy of advertising their wants at the gate of the works, and the genuine seeker after work finds personal application to foremen and managers the quickest method of re-entry into employment. The skilled Trade Unionist, of course, prefers the agency of his Union and it is to the Union that the employer naturally applies. Nor is this really in any way prejudicial to the success of the greatest function of the Exchange. It is probable that the Union is and will always be the best agent for mobilising its own members, and the classification is complete and well defined. The damage is done when the same class of labour is recruited through a

dozen different sources, of which the Exchange is the least popular. Until something is done to prevent indiscriminate engaging of labour through a variety of sources, the Employment Bureaus will never be an unqualified success.

But, apart from the question of new legislation, much could be done to increase the efficiency and popularity of the existing Exchanges. Sweeping alterations must be effected in the personnel, and much of the crippling and deadening routine eliminated. Far too much clerical work is demanded. Staffs become imbued with the belief that the Department requires greater attention to clerical duties and statistical returns than to reinstating workers in employment. If the countless weekly returns and summaries are really necessary, their compilation should devolve upon clerks specially engaged for the work and form no part of the duties of those actually engaged in dealing intelligently with the direction of labour. But, as a matter of fact, much of the clerical work required by the Ministry is misleading, and calculated to lessen the value of the work done. For example, whether rightly or wrongly, the staff are certainly apt to feel that the volume of the weekly registry of " cases " is regarded as an index to the amount and character of their work. The greater the numbers passed from the unemployed to the employed register, the more successful the Exchange. But this is by no means necessarily true. The best work is done where conscientious effort is made to put the right man into the right place and secure permanent employment. The more haphazard the methods, the more unsuitable the work to the worker, the sooner he is back again on to the unemployed register. There are cases where the same individual secures three or four different jobs in as many weeks. And every time he swells the register as a fresh " case." It is not for a moment suggested that the Exchange officials countenance such a policy, but it is suggested that they require to be very single-minded, and very devoted to the cause they serve, to persevere in the face of this clash of interests. As a matter of fact, for the greater part, the men and women who take up this work are exceptionally enthusiastic and devoted to the real object of their work, and it is not fair that their efforts should be hampered and discouraged by useless routine.

Again, to be efficient, the official of an Employment Exchange must be unusually well-informed on a number of social and industrial matters and must be capable of sympathetic appreciation of the needs and possibilities of the workers he would help. He should be fully conversant with the nature of the main local trade openings and able to supply, on request, live, intimate

details as to wages, conditions and prospects. Accurate information as to trade conditions outside the local areas, and as to the many problems that beset the would-be emigrant, should be readily available. As things are at present, though much of this information is actually in the building, it is not at the service of the applicants because the officials themselves have not assimilated it.

The principles of trade unionism in general, and the nature and scope of the local trade unions should be familiar to all dealing directly with employers and employees, and considerable knowledge and insight into the needs and temperament of the average local workers in an industry, are essential. For it must be remembered that in many cases the applicant is unaware both of his possibilities and his own real desires. Much skill and understanding and much experience and information are necessary if dormant capacities are to be used to their best advantage.

For a long time past all children leaving elementary schools and entering employment have been compelled to report themselves at the Exchanges, where their school record of health and general character and ability is filed. During the war these offices have been the sole medium through which munition workers for controlled establishments have been engaged, and a good deal of recruiting for the Navy and for the Air Service was done through the same agency. At the present time unemployment insurance is being paid through these offices to thousands of workers of all grades. Constantly increasing numbers are thus becoming familiarised with the institution. Is it impossible, while there is this opportunity of forming a useful social habit, to place the work upon a higher level, to convert what has been in large part mere registration, into practical assistance ? Is it impossible to regain the confidence of workers and employers ? Cannot some real effort be made to encourage both to make full use of the machinery set up by the State, by ensuring that through its medium the best work and the best workers are obtainable ? If the Exchanges were made the compulsory medium for the engagement of all non-organised workers, something would at the same time have to be done to improve the efficiency of the staffs employed. Until the State realises the proper value of the work and the mental calibre and status necessary to its proper fulfilment, the Exchanges as a whole will be a failure and their unpopularity will continue to increase.

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TRADE POLICY—IMPERIAL AND INTERNATIONAL.

THE fear expressed by Sir Donald Maclean during the debate in the House of Commons on our future trade policy, that we should " get into trouble with our French Allies if we proposed to give a preference to Australian wines " will not be shared by those who are acquainted with the economic history of France and the character of its people. The announcement that the Government has decided to treat the Empire as a fiscal unit has, on the contrary, been welcomed in France as a sign that we are disposed at last to abandon our national tradition of *laissez-faire*. Far from taking umbrage at a general declaration of policy dictated by British Imperial interests, the French view it with satisfaction as tending to clear the ground for that Anglo-French commercial co-operation which they regard as the main pillar of the future economic peace of the world.

Since 1870 France has been shackled by the " most favoured nation " clause, imposed upon her by the Treaty of Frankfort, which prevented her from making concessions to her friends without giving similar advantages to her arch-enemy. The war has, however, placed her in a position to conclude an economic understanding with her Allies without the dictation of any third power, and M. Clementel's speech to the Federation of British industries at the Lyons Fair gave expression to her desire to do so. Such an understanding is, in the opinion of the French Minister of Commerce, an essential guarantee against the renewal on the part of Germany of an attempt at commercial world-domination. It is, of course, obvious that the problem of harmonizing the policy of a protectionist country with one which has long been devoted to Free Trade presents exceptional difficulties. But as both parties to this future trade contract are prepared to make concessions these difficulties ought not to be insurmountable.

In 1916 overtures were made to us through the Economic Committees of the French Parliament, and also by the French Customs authorities, with a view to discover a basis of mutual understanding. It was believed that the establishment of French Customs offices in London and Bradford might facilitate the intricate task of the classification of textiles for French Customs entry. But the instructions given to the British delegates to the Paris Conference held in June, 1916, forbade any discussion upon tariff questions, so that the tentative, valuable as an indication of good will, was strangled at its birth.

Meanwhile, on our side, apart from the recent Government

declaration accepting the principle of Imperial Preference, the sole evidence of official appreciation of the fact that our commercial situation has been compromised through the war in all markets, excepting those of India and Australia, is to be found in the creation of the Overseas Trade Department. This Department came to life after an unseemly wrangle between two existent Departments of State for the control of Foreign Trade, and whether it will be able to surmount the handicap of dual control remains to be seen. So far the energies of the Overseas Trade Department, one of those illogical compromises so dear to the English heart, have been concentrated on evolving an elaborate system for gathering commercial information abroad. But though "Form K" has been blessed by the Chamber of Commerce, it possesses in the estimation of those who are in actual contact with continental trade the drawback of converting a department of the British Government into a sort of information bureau. It is to be hoped, however, that when the energies of our statesmen are released from the consideration of grave political problems, the compilations of the O.T.D. may assist them in devising a national and international trade policy worthy of our victory.

To-day the phrase "increased production" is in everyone's mouth. It is generally regarded—and justly regarded—as our only means of regaining commercial prosperity. We must not forget, however, that increased production is only half the solution. Assuming that we get it, as a result of a new and harmonious relationship between Capital and Labour, we have still to find markets capable of absorbing the goods we produce. Only to a certain, and a decreasing, extent can they be discovered and exploited through the efforts of private commercial enterprise. Indeed, in the present condition of the world, unless the manufacturer with large stocks to sell has had the way prepared for his activity by an energetic Government policy, both economic and fiscal, he is likely to have great difficulty in marketing the increased production he has been at infinite pains to obtain.

Such a policy will not be evolved by adopting the invertebrate suggestions of the Balfour of Burleigh Committee. The terms of reference of this Committee were wide enough to cover the advocacy of a bold and comprehensive scheme, but as the Government has hitherto shrunk from tackling the fundamentals of the problem, it was perhaps natural that this Committee should have preferred to dally in the tranquil backwaters of detail and generality. It deprecates a revival of fiscal controversy on the old lines, a sentiment which, so far as it goes, is admirable; but nowhere in the report is there a trace of a broad

constructive idea, such as should inspire the policy of a great commercial nation like ourselves.

What then is the reason of this timidity ? It is to be found, we believe, in the paralysing influence which the conflicting theories of Tariff Reform and Free Trade still exercise over the minds of our politicians as well as over the mind of the British people at large. For sixteen years this controversy was the touchstone of our party politics. In the barren fight, in which mere methods came to be regarded as though they were ends in themselves, the real aim was not so much lost sight of, as not realized at all, by the majority of the partisans of either school. Nobody talked on the morrow of the Transvaal war of a " self-contained Empire for the purposes of Subsistence and Defence." Nor does even Mr. Chamberlain appear to have had a sufficiently clear grasp of that ideal to be able to rebut the charge, ultimately pressed with much vigour, that he had approached an Imperial problem of the first magnitude from its most sordid and least significant aspect. Therein, perhaps, lies the reason why he failed to awaken the people of this country from the apathy towards Imperial Trade conditions which had been bred of the factitious prosperity of the nineteenth century.

An acute controversy has raged round the question whether Adam Smith was a Free Trader or a Protectionist. In reality it were as profitable to enquire whether he was a Protestant or a Catholic. The only fact material to us is that State regulation and control of the foreign trade of a community as an element of national security is the backbone of his doctrine. Conditions may prevail which render Free Trade the best means of achieving this, and it happened that Adam Smith expounded his theories upon the threshold of a period when the United Kingdom was to become supreme not only in the manufacturing but also in the carrying trade of the world. But though the repeal of the Corn Laws was dictated as much by political as by economic considerations, the triumphant advocates of *laissez-faire*, flushed by its temporary success, invested their doctrine with the virtues of a religious principle applicable without regard to time or place or varying conditions. As a result, Great Britain found herself at the outbreak of war with no organised policy by means of which she could counter the challenge of powerful—and in the case of Germany, unscrupulous —rivals, who had risen up to dispute her supremacy in foreign markets and her monopoly of sea-borne commerce.

The fact that the commercial policy of France has been inspired for a hundred years by the twin ideals of national security and national development may be ascribed to two

causes. The first of these is her geographical position, and the second her desire to preserve the produce of her soil—which represents 75 per cent. of her total production—as well as her budding manufactures, from enslavement to the dictates of foreign markets. Since the Revolution her method of attaining this end has been the imposition of high protective duties. Napoleon distorted this system in an ineffectual effort to destroy British trade, but the continental blockade which deprived France of imports necessary to her national development disappeared with him. Protection, nevertheless, formed the basis of France's economic policy until the Cobden Treaty of 1860, and her subsequent experiment in the direction of Free Trade did not survive the war of 1870. While it lasted it did France no particular harm, for the simple reason that neither Germany nor the United States were then the formidable rivals they were destined to become. By the early eighties, however, America had recovered from the effects of civil war and was springing into the front rank as an economic power, while Germany was already planning, by combined industry and organisation, the commercial subjugation of her neighbours.

That Germany, in spite of sporadic outbreaks of Bolshevism, will soon be straining every nerve to rebuild her economic prosperity is certain. We cannot, in any event, prevent her doing so, for only in this way will she be able to meet the bill for reparation which the Allies are about to present to her. But the establishment of harmonious trade relations between Great Britain, France and the United States diminishes, if it does not entirely remove, the danger of Germany's ultimately turning military defeat into commercial conquest. To do the Balfour of Burleigh Committee justice, its report does recommend the protection and development of key or pivotal industries, which they define as " industries on which other and larger branches of industrial production of substantial national importance are dependent." But for a definition of what constitutes " substantial national importance " we look through the report in vain. Yet the war has surely taught us that it can be defined in two words, and those words are Defence and Food.

Neither protectionist France nor protectionist America could oppose, still less resent, a measure such as Imperial Preference, designed to promote the security of the British Empire. Nor, if our statesmen refuse to be hypnotised by fiscal phrases which have to-day lost all meaning, need our Imperial trade policy hinder the adoption of an International trade policy. A great constructive effort is needed; without it increased production will fail to perform the miracles expected of it.

VIEWS OF THE MINORITY PRESS.

THE Minority Press is unanimous in its condemnation of every act of the Allied Governments; the conduct of the Germans, at its worst, compares favourably with that of the Allies to-day. The *Daily Herald* of April 21st fumes with rage and indignation over the Allies' cruel treatment of the Russian Bolsheviks and the Republics of Central Europe. "The sabre is being rattled now, not by Hoffman, but by Foch," says a writer in this issue, "the Allies are behaving as badly in victory as did the Germans —as badly? they are behaving worse." The Germans at Brest-Litovsk did "at least preserve the formation of negotiation." The Allies, on the other hand, are accused of humiliating the enemy and gloating "most indecently over the abjection of a beaten foe."

The *Daily Herald* considers that we have violated the basis of the Armistice and the Fourteen Points. On that basis the Germans gave up their arms and "put themselves helpless in our hands. We proceeded to tear up the four points and the fourteen scraps of paper! Having tricked our enemy into impotence we took full advantage of the trick. We starved his women and children. We gloated, we insulted, we did violence to the memory of our dead who died in a different spirit—spirit for a different kind of peace from this." "Germany has become a real democracy," and this because Lloyd George and the Jingo papers told the Germans that the peace terms would be less severe if they threw over their militarist rulers. They "foolishly took us at our word. They have demilitarised, they have democratised themselves."

The same line is followed by the *Merthyr Pioneer* (April 5th), in the leading article of which we are told that "the Allied Capitalistic Governors at Paris are drawing the world nearer to the awful brink of a disaster more prodigious than that through which our civilisation has just passed." The Peace Conference is described as a "thieves' kitchen" in which the Peace Delegates "are lighting a fire in Europe that may well consume them."

The policy of the Peace Conference is criticised in the May issue of *Freedom*, and a warning uttered as to its results:— "Having said the war was not a war of conquest, but wanting to keep all the territory they had conquered, they invented the system of 'mandates' under the League of Nations, and now

each country has a ' mandate ' to administer the territory they conquered. . . . After a war fought ' to make the world safe for democracy,' as we were told, these dictators in Paris are deciding questions involving the future of countless millions without their having a voice in the matter. The voice of the workers, however, will be heard when the Conference is over, and even now the ' Big Four ' and their satellites can hear a few mutterings which tell of the storm to come."

May Day has served most of these newspapers as a suitable signpost to direct the " workers " to those powers and pleasures that can be theirs for the taking ere another May Day comes round.

Arthur McManus, in *The Socialist* (May 1st) says " Let us arise then to our task. On this May Day let us dedicate the remainder of our drab and otherwise miserable lives to securing this for our children. Let us this year pledge ourselves to *work* for Revolution, *organise* for Revolution, *fight* for Revolution, and *sing* for Revolution, if sing we must. At all events the opportunity is here, and if during the year to come we respond to this pledge upon every occasion, then May Day, 1920, will mayhap record our emancipation. . . . Commence then, from May Day, to muster and organise our forces in village, town and hamlet. Cast fear to the one side, and find fortitude in the purpose and message that is ours. . . . They are free who *dare* to be free ! And we urge that the working class *dare*. Come what may we are determined to go on using any and every opportunity which presents itself, to stir the people up to revolution, confident that when the hour comes and the worker steps forth, awakened from his lethargy, the deed will be done."

Freedom (May) says that May Day this year brings a message of hope to all revolutionists, in that " the war that was begun in 1914 to decide the Imperialistic aims of the Great Powers of Europe is now changing into a war between the forces of Privilege and Exploitation and the forces of Labour." The writer urges all Socialist and Labour men who are sitting on the fence to decide on which side they will fight, and points out that, the Russian Revolution having wiped out all the stale and musty party programmes that absorbed the Socialist and Labour parties at their annual congresses, " the situation is now ripe for direct action of the most thorough and drastic character " . . . " the workers are determined to throw off their chains and to build up a new society in which all shall be producers and consumers in common. The capitalists and the politicians see the danger, and are prepared to use force to the uttermost, but whereas their force rests on the number of workers they can

bribe to fight for them, the strength of the workers rests on themselves. If the workers are true to themselves no force can resist them ; and before another May Day comes they can put an end to wage-slavery and the exploitation of man by man." " So on this May Day of 1919 let us make up our minds to join with others in wiping out all traces of our so-called 'civilisation' which brings riches and power to the few and misery, toil without hope, and bloody wars to the many. Let us realise how beautiful life might be in a society founded on Anarchist Communism, in which all the means of life would be at the disposal of all, and in which all would partake freely of the goods produced. A society in which we would call no man master. . . ."

Solidarity (April) prints an article by E. A. Chapman in support of the Russian system of Soviet Control, in which we are asked to believe that in Russia we see " for the first time . . . real representation in practice." Further, that the Bolsheviks are rapidly achieving a reputation as colonisers which will challenge that of England before long. With this example in view he urges " discerning workers who understand and desire a change " to seek out others who have foresight and intelligence, because in the great world struggle now proceeding all have a part to play, and " whatever our occupation may be, the obvious duty falls upon us to link up with the organised working-class movement, using all our power to strengthen the position . . . for before very long, probably sooner than is anticipated, the workers will be called upon to take control, and fashion out their own destinies." The watchword for all now is : " Be ready."

In *The Worker* (Clyde) William Gallacher writes on the great need for organisation among the engineers, and makes an appeal for unity of action. He taunts them with their lack of co-ordination and consequent inability to get their demands conceded, and reminds them that while the " despised dockers, and railwaymen and miners . . . have now become the pioneers of emancipation from the demoralising power of Capitalism . . . you wallow pitifully in the slough of despond." He points out that the recent concessions to the Triple Alliance are an object lesson in the power of unity of action, " but the Triple Alliance, backed up by an industrial organisation representing the engineering trades, would be infinitely better. Such an organisation would be all-powerful . . . the day of victory is coming and coming soon. All together, then, united and strong, let us strive for the new organisation and a brighter world for the workers."

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FOOD FOR THOUGHT.

THE curve of evolution that we were wont to picture as a beneficent law of Nature, leading us with mathematical precision from bad to better and from better to best, has lately been playing sad pranks with our faith. In the spheres of science and mechanical development steady progress is maintained, but when we review the field of ethics, or survey the art of government, there is nothing solid under our feet. Heresies long since dead and buried, as we fondly believed, spring to life again century after century, and the human conception of what constitutes good citizenship and sound government never seems to be able to survive for any length of time without casting longing eyes on the melting pot whence it so painfully emerged.

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Bastiat's clever skit on the socialist doctrinaires of his day comes to mind after reading Mrs. Cecil Chesterton's analysis of the translation of Lenin's *Revolution and the State.* History repeats itself and our would-be reformer of to-day is unchastened as of yore. "For the last five thousand years," so he would have us believe, "there has been a misunderstanding between God and man. From the days of Adam to our time the human race have been upon a wrong course—and, if only a little confidence is placed in me, I shall soon bring them back to the right way. God desired man to pursue a different road altogether, but they have taken their own way, and hence evil has been introduced into the world. Let them turn round at my call, and take an opposite direction, and universal happiness will then prevail."

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First Russia, and then the world, are Lenin's contemplated spheres of action. The overthrow of States—whatever their constitution—is his aim; the class war is his method of achieving victory. It is, therefore, no longer against Capital and the Capitalist that his onslaughts are directed, but against the whole doctrine of German and English Socialism. Mr. Sidney Webb and the Fabians are charged with having fostered "a bastard form of socialism," and the Social Democrats of this country and of Germany are denounced as reactionary agents who hinder the class war by "bolstering up the institutions of the State created to maintain the artificial divisions of property."

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According to Lenin, the State always prevents the expression of the people's will. Only after its destruction can the people

rule. That destruction, therefore, is the aim and end of the class war. To support State ownership of wealth is, Lenin declares, to betray the class war which aims at the shattering of all social government. The victory of the proletariat will destroy all aggregations of wealth and hand over the means and instruments of production to the people. One wonders whether his followers have ever troubled to ascertain the meaning of the word State, and how they propose to overcome Nature's law that man, as, par excellence, *the* social animal, depends for his progress upon organised contact with his fellows.

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Disguise it how you may, the State is neither more nor less than a group of individuals recognising a common government, and to judge from the following extract from Lenin's recent official address to the all-Russian executive of the Committee of the Soviets, the great man himself is finally unable to escape from States and Governments. Lenin tells his followers that "it would be the greatest folly and the most senseless Utopianism to suppose that the transition from Capitalism to Socialism is possible without compulsion and without dictatorship. . . . The stupidity of the chatter about democratic unity, the dictatorship of the democracy, the universal democratic front, and such-like silly twaddle is obvious. We conquered through the methods of suppression. . . . Before us lies at this moment the root and centre question of the whole social life of mankind—to conquer starvation, or at least to mitigate at once the immediate pangs of starvation which have seized the two capitals and dozens of districts in agricultural Russia. . . . It is necessary to introduce absolutely regular work so that it runs like clockwork. But how can the strictest unity of will be secured ? By the subordination of the will of thousands to the will of a single person. When ideal recognition and discipline on the part of all engaged in a common task are present, this subordination may rather resemble the gentle leading of an orchestral conductor. It may take the sharp form of a dictatorship when they are not present. But either way, the unquestioning submission to a single will is unconditionally necessary for the success of industrial processes organised after the type of a great machine industry. The Revolution has just struck off the oldest, strongest and heaviest fetters that bound the masses under the knout. That was yesterday, but to-day the same Revolution demands, and that in the interest of Socialism, the unquestioning subordination

of the masses under the single will of the director of the process."

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We have referred on a previous occasion to the impossibility of organising any section of society on a basis which left the individual the sole arbiter of his destiny, governing and controlling his entire life without reference to the needs and desires of his fellows. Subscribers to the belief that freedom is only obtained when all control and no one is controlled, and when every man is his own leader and adviser, are not likely to be influenced by such a warning coming from an unknown source, but these words of one of their own most admired leaders should carry cold conviction to those who stop to think.

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This discrepancy between promise and fulfilment will, moreover, not be limited to the substitution of a despotism for the promised democratic rule. Unfortunately the occupant of the frying-pan is always too bewildered and excited to realise the fire until he is actually in it, and the frying-pan is so uncomfortable that the sufferer is only too easily persuaded to leap before he looks. Messrs. Henderson and Cole charge Mr. Lloyd George with having fostered labour unrest by specious promises of a better life for all, promises which, they say, he is not now able to fulfil. As a matter of fact, it is not the Premier but Labour agitators and labour journalists who have created unrest by persuading Labour that mere redistribution of existing wealth could give them both leisure and affluence beyond their wildest dreams. It is Labour leaders of a certain school who have created a wave of unrest which, daily gathering force, now threatens to sweep away even the authors of its being in its indiscriminating onslaught on all authority vested in the individual. The Premier promised opportunity—an amelioration of conditions which would follow from a better and fairer organisation of individual effort —and he may be trusted to do his utmost to satisfy the aspirations he has aroused. But to quote only one example on the other side, the promise contained in the implied efficacy of the two ideas, "Conscription of Wealth," and "A Pound a Day is the Workers' Pay," which George Lansbury scattered broadcast through the medium of *The Herald,* bears inevitably an abundant crop of unrest because it arouses an expectation of the impossible, and by persuading all-too willing listeners that they *can* have the moon, prevents them from making

those efforts which would at least procure for them the more solid though less brilliant gifts of Mother Earth.

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Now and again the cat jumps out of the bag only to slink back again unperceived by those who see best in the dark. Speaking at a public meeting held under the auspices of the Labour Party at Nottingham in 1918, Litvinoff claimed that the Bolshevists had accomplished a large number of fundamental reforms. During the subsequent discussion he had to admit that the materialisation of these alleged reforms was yet to come. The fact that the question of old age pensions was first mooted in England in the sixteenth century gives rise to the reflection that the Litvinoff brand of optimism may yet remain in bond for some little time before it matures.

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Addressing a meeting last month at Merthyr, Mr. W. Paul—who was introduced to his audience by the editor of *The Merthyr Pioneer*—laid particular emphasis on the international character of the movement for government by Soviets, substituting universal " direct action " for parliamentary legislation—the former being the only means by which the workers could secure complete control of industry. The international effect of every strike, or other action, should be kept in view. Even if the action did not bring any benefit to themselves, it might help the workers of other countries. Suppose, he instanced, that the Clyde strike had spread over the country and the miners in South Wales and the workers in other parts had all come out and had adopted the Clyde strike methods everywhere. What would have happened ? The Government, instead of sending a few thousand soldiers to Glasgow, would have been compelled to withdraw all the British soldiers from Russia and Germany, and this would have helped the Bolsheviks and " our German comrades."

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In a Red Book published at Winnipeg, outlining the policy of the Bolshevist organisations in the United States and Canada, it is stated that the cardinal principle of the movement is to overthrow the " damnable trinity of Religion, Government and Capitalism." If any capitalist survives the Flood (of oratory) that threatens to overwhelm him, he will be able to console himself with the flattering unction that for once in his life, at any rate, he kept passable company—as company is reckoned in these degenerate days.

No. XXII

JUNE

MCMXIX

"Appeals for Justice are not becoming in an appellant who is himself unjust."

—*Sayings of Hatasu.*

INDUSTRIAL PEACE

CONTENTS

Some Reflections on Inequality

Practical Economics

The Brotherhood of Britons

One-Man Businesses—II.

Principle or Expediency?

Development of Workers' Committees

Progress

Views of the Minority Press

Food for Thought



INDUSTRIAL PEACE

SOME REFLECTIONS ON INEQUALITY.

ONE of our readers has asked us to explain—if we can—why Sir Douglas Haig is paid a war gratuity of £50,000 whilst a wounded private soldier, whose sight has been destroyed, only gets a beggarly £25 as compensation.

This is the type of question that thousands of people are asking themselves every day, without, we fear, receiving any answer which satisfies their sense of fair play. Whether the figures quoted above are specific or problematical is of secondary importance, as are also the personal merits of the contrasted individuals, but for the sake of the argument we will assume that the case is precisely as stated by our correspondent.

This assumption leaves us face to face with the clear-cut issue—whether it is just, and, if so, whether it is expedient, that an unwounded Field-Marshal should be rewarded on so substantial a scale whilst a maimed private receives a gratuity which bears no relation to the cruel calamity which has overtaken him in the service of his country.

If it were possible to put such an issue to the vote of the army as a whole, we believe that a large majority of soldiers would subscribe to the principle of differentiation according to rank; but, in their heart of hearts, they would nurse the burning conviction that war gratuities ought to be less steeply graded, and that such a contrast as the one we are considering goes beyond the limits of propriety. They would say to themselves in effect, "provided always that the wounded soldier receives what his comrades would collectively consider as adequate compensation, we would have no objection to a Field-Marshal being treated in as handsome a manner as the State can afford." In arriving at this conclusion (which is eminently just and reasonable), the sentiment of jealousy would not enter and the question would resolve itself, not into a demand for a reduction of the grant allotted to Sir Douglas Haig, but into an appeal for an increase in the compensation awarded to the man who has been "broken" in the wars.

There are many excellent reasons why eminent public servants who have performed signal services on historic occasions should be rewarded on a generous, even on a strikingly liberal scale; but there are still weightier reasons why the corporate sense of justice to the army and the nation should be satisfied. This

conscience will never slumber as long as a miserly, calculating spirit is manifested in the dealings of the State with the humbler victims of the war.

Permanent officials are often charged with lack of sympathy, and uninformed opinion conceives a picture of well-paid bureaucrats administering their functions with callous indifference. But it is not the administrative officer who is to blame—his range of choice seldom extends beyond the alternative of obeying his instructions or resigning his office. The responsibility for seeing that justice is done rests with Parliament and the Press, who have only to exert themselves sufficiently to force the Government to do, if not the right thing, at least the nearest practical approach to it.

And this brings us with a jerk up against those arbitrary facts which ultimately decide such questions, not by an ethical standard, but by the stubborn laws of arithmetic. It is the multiplication table that defeats many of the well-meant schemes of the unpractical idealist.

Those who would feel most strongly that avoidable injustice is at the root of this particular kind of inequality are biased, we imagine, by the sub-conscious belief that they are considering cause and effect. They think that it is because the Field-Marshal gets so much that the private gets so little. In reality there is no connection between the two cases, and if Sir Douglas Haig should elect to refuse the nation's gift on the score that others had the greater need, the wounded private would not benefit, in a material sense, as a result of such refusal. For when we come down to pounds, shillings and pence, the truth is that there are so many private soldiers that a sum of money, though it strikes the imagination as more than considerable, virtually disappears for all practical purposes when the divisor has done its work.

Thus, if Sir Douglas Haig's £50,000 was equally divided amongst, shall we say, five million soldiers, the shares would work out at less than two-pence halfpenny each, and so partitioned would represent nothing but a studied insult; not to mention the fact that the cost of distribution would more than swallow up the whole amount in question.

This is only a crude example of the type of difficulty that arises in practical politics when ideals are examined by the light of arithmetic; yet similar cases abound, and critics would do well to put their theories to such a test before they are too cocksure that, after all, they are not crying for the moon.

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PRACTICAL ECONOMICS.—III.

"*Wants—Efforts—Satisfaction . . . this is the circle of Political Economy.*"

LAST month we gave a brief sketch of the essential framework of economic life with its inherent advantages and disadvantages. The progress, indeed the survival, of the human race is dependent upon some degree of social organisation, and the more advanced the degree of organisation, the greater the co-operation and the greater the division of function. This subdivision of effort that constitutes, as it were, the very bricks of which the economic edifice is built—a thing good in itself and essential to the race—has, by its complexity, obscured the simple relations of cause and effect in the measures men must take for the satisfaction of their wants. Obscurity has involved confusion and error, ignorance and its offspring suspicion, so that we continually find ourselves up against hardship and injustice, arising in great part from the intricate social and industrial organisation we have created for our individual betterment.

Man wants something. He makes efforts, therefore, to overcome the obstacles in the way of the satisfaction of his wants. Successful effort brings satisfaction. In very small and simple communities, the efforts made for the satisfaction of wants are all more or less direct. Rude shelters, clothing, tools and weapons are fashioned by the individual himself, and the co-operation he receives from his companions is directly compensated by similar labour on his part for the satisfaction of their wants. Whether he actually grows his own corn and rears his own cattle, or agrees with his neighbours to grow sufficient corn for all while the others hunt and fish, the connection between wants, efforts and satisfaction is perfectly clear. Wants call forth efforts, and reward follows well-directed exertion. As society grows, and as men's wants increase, greater subdivision of function and of process is called for, the exchange of services becomes more complex. The necessity for a common medium of exchange arises, and the intricate problems of MONEY, PRICE and VALUE come into being. The services of a whole nation are, as it were, pooled, and the wealth arising from their efforts must be divided amongst them according to the worth of their individual effort—or, more accurately, according to its exchange value. A proper system

of DISTRIBUTION then becomes as vital and infinitely more complex than the organisation of PRODUCTION itself. The co-operation of groups and the subdivision of labour necessitates production in advance of demand; wealth must be saved to provide necessary machinery, stores, housing and other material benefits, the use of which must be enjoyed before the particular services rendered can receive their reward. The CAPITALIST tends to become separated from the worker and his essential service obscured by confusion with a multitude of theories concerning past and present errors and abuses of the capitalist system. Specialisation involves production on a large scale if the economies of subdivision of function and labour are to be fully enjoyed, and progress in this direction is dependent upon Credit and Banking and access to ever widening markets. The FOREIGN MARKET, roundly abused and calumniated by certain sections of the Socialist and Labour world, enters then as a necessary link in the progressive welfare, not of the capitalist alone, but of a healthy national life. Again, the manufacturer of cotton or wool fabrics cannot acquaint himself with the individual needs of the thousands of customers who want his wares, neither can he personally see that they are conveyed to the various corners of the globe. The services of TRANSPORT, and of the MIDDLE MAN, who finally renders the product useful or serviceable by linking up producer and consumer, must then be added to the list of efforts necessary to the production of wealth.

Wealth.

The economic organisation exists for the purpose of producing wealth, and any error in the general conception of what wealth really consists of must be reflected in deficiencies in the system itself. As a matter of fact, grave and widespread misapprehension of the various applications of the term still persist and give a false direction to many of our best-intentioned efforts. The economist defines wealth as anything that satisfies a human want and is not unlimited in quantity. Thus economic wealth is a means of satisfaction which will not be forthcoming without some human effort. The essential point in the definition of wealth is that it cannot be regarded as a thing in itself, but only in relation to man and his wants. Potentially it is the power to satisfy human wants. Actually it is the service which renders possible the satisfaction of our wants. The wealth of a nation or of an individual is the sum total of the means of satisfaction which it or he commands—the amount

of the product of industry which it or he possesses. But a further and a most disturbing factor enters into the economist's conception. The economic organisation takes account only of wealth which can be measured in terms of money. The annual income of the United Kingdom, for example, is estimated by totalling the money incomes of all the individuals in the country. The present system, based on this conception of wealth as product having a market value, is directed solely to the achievement of a maximum production at a minimum expenditure, and its success is judged by its value reckoned in terms of money. This incomplete conception of wealth gives rise to serious consequences which we will briefly indicate.

Wealth Not Equal to Production.

In the first place wealth, both national and individual, is as much a matter of distribution as of production. The money value of a country's wealth is an estimate of its power to satisfy wants; it is not an indication of the means of satisfaction actually afforded by the economic organisation. Wealth is that which satisfies human wants—it is a relation to man and his wants. It cannot be measured by the volume of product without reference to its nature and its use. Wealth must be the production of utilities which satisfy the reasonable wants of all concerned in its production. We cannot examine here the actual relations between wealth as now estimated and real wealth—or welfare. We are content, for the moment, to call attention to distribution as a factor in the production of wealth. Its influences we hope to discuss in a later paper.

Money a False Index of Wealth.

Wealth has been defined as any service which satisfies a human want. But when we examine the present method of estimating wealth it becomes apparent that an increase in wealth recorded in terms of money does not necessarily represent an increase in human satisfaction, may, indeed, be accompanied by a net decrease in the sum total of wants satisfied. Thus the interest on the National Debt appears as wealth—the greater the debt, the greater the income derived from it. Yet this "wealth" is only money transferred from one tax-payer to another. The market-gardener's produce goes to swell the national income, but the allotment produce, and the fruit, vegetable and dairy produce of the private owner—unless sent to market—are not reckoned as wealth. Similarly the domestic

servant's work is " wealth," the services of wife or daughter are not. It follows that the more independent and self-contained the unit, the poorer the country as a whole appears to be. Again, the factory system in industry is rightly said to have enormously increased man's productive capacity. But, at the same time, the system has produced many costly disadvantages which have to be remedied and compensated for at considerable expenditure of effort. The grouping of masses of people together in towns has necessitated elaborate public utility services, and puts a physical and a mental strain upon man himself which is partly repaired by costly service, and partly must be debited as national loss in physical stamina. The excessive dirt, for example, resulting from incomplete coal combustion on a large scale in cities, calls for a large amount of additional cleansing and laundry work. All these services are really only called for in order to make good the damage done by other industries, and if an estimate of wealth is intended to indicate the total satisfaction available in a country, their cost should be deducted, not added to the gross income represented by these industries. In the words of Mr. Henry Clay, " Modern society is rather like an incompetent housewife who ' makes work ' for herself by her slovenly methods ; with this difference, that she complains of the extra work, while we glory in it, boasting of the increase of wealth and the unprecedented dimensions of the national income."

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THE BROTHERHOOD OF BRITONS.

MANY keen social observers and a great many doctors looked forward to the coming of " Peace " with a certain apprehension. During the continuance of hostilities people were strung up to concert pitch. Most of them were working—many of them far too hard for their health. Overwork coupled with over-anxiety is the breeder of nervous diseases, and nervous diseases, even slight nerve troubles, affect the mind and the temper, sometimes disastrously. Everybody knows the difference in outlook at the breakfast table between the man (or woman) who has had an excellent night and the man (or woman) who hasn't " slept a wink." To thousands probably the war has been like a long sleepless night, spent in weary tossings to and fro, and in the monstrous apprehensions that are the children of darkness. What would be the state of the suffering victim of this tremendous insomnia when the morning dawned at last, and it became necessary to face the sun at the breakfast table ? That was the question which the social observers, the doctors, and perhaps many others, put to themselves, as the war dragged on and the years lengthened out.

There is no doubt in my mind that vast quantities of people in the British Isles are still " on the edge " of their nerves. They haven't yet been able to recover from the strain of the war. They are still the victims of an irritated nervous system. And they display many symptoms which are disquieting. One of these symptoms is an exaggerated egoism. Egoism tends to isolate a man from his fellows. It is the enemy of those social qualities which make for true comradeship. It substitutes the great " I " for the community. And class egoism substitutes class for country.

We have just emerged victorious from a terrible war with an implacable enemy. Are we now going to quarrel furiously among ourselves ? Surely, though we may be in the condition of the man who has had a bad night, we shall not be so mad as to do that.

Class hatred in England needs to be fought as Bolshevism needs to be fought, for it is a malign thing, and no good can come of it. And class hatred comes from class egoism. We must make a determined effort to get rid of that if we want to reap the full fruits of our victory.

The greatest longing in humanity is for happiness. England longs to be happy, but is she going the right way to get what she yearns for ?

In a speech made not long ago, Sir Douglas Haig alluded to the mutual respect, confidence and affection which existed among all ranks in the Army during the war, and pleaded for a continuance of those glorious, those binding qualities, for the spread of them among all classes, among civilians as well as among the sailors and soldiers, in the era of peace. He performed a service to his country by making this speech. We must earnestly try to be comrades. For comradeship is undoubtedly the doorway through which we may pass into happiness. Love makes ; hatred breaks.

The greatest writer of recent times, Tolstoy, one of the greatest writers who has ever lived, a Titan and a Seer, wrote many marvellous passages to show that love is the only true builder of edifices which defy the assaults of evil, the storms of Fate.

We have to help in the greatest building operation which has ever been undertaken by humanity. We have to help in building up a new world. But we must begin by building up a new England. And if we would do that effectually, we absolutely must get rid of class hatred. Some people say that it can't be done. But has there ever been a thing worth the doing which has not been sneered at, which has not been declared to be impossible of achievement ? It certainly can be done if only we will all take hands in the attempt to do it. And here we can use our egoism profitably. For almost every vice can be turned into a virtue. Instead of saying, " My little effort can have no effect ; after all, what am I ?—only an ordinary man, of very little importance or influence "—let us say, " I am of importance, for I contain the great building and cementing power within me. Therefore I am somebody, and I am going to prove it. I am going to influence those with whom I am brought into contact by radiating kindness and sympathy. And I am going to be a just man." It is possible to be too humble. We can turn our natural egoism into a virtue by believing in our mighty power of influence, and by using it invariably for good. Every one is of importance.

A famous soldier had a servant, a man, who served him devotedly for many years. When this man died, the General put up a monument over his grave, and had inscribed on it the following words :

" His Master's Friend,
His Friend's Servant."

I have always thought that that inscription sums up very beautifully what true comradeship means. It does not mean necessarily the abolition of what are sometimes called class distinctions; it means rather a soul-understanding between man and man, which remains totally unaffected by outward forms, by differences in manners and ways of speech; by the fact that one of the partners in the understanding touches his hat and says "Sir," while the other doesn't.

We have got to build, all of us. We are all on the same job. We are all in the same profession. We must try to understand each other. And as true understanding only comes through sympathy, we must try to have sympathy for each other.

Those who go about the country trying to stir up feelings of hatred, whatever their object, whatever their creed, are the enemies of humanity. They must be fought, but not with their own weapons. They are simply devoid of vision. They are unable to see the light, and, like many others, they take the line of least resistance. For it is very easy to denounce. Rhetoric comes to a speaker almost naturally when he is busy in attacking, and violence produces a swift effect on those whose thought processes are slow.

We want something firmer than rhetoric on which to build up our England, we want the wisdom of the heart. Multitudes of men possess that wisdom and scarcely know of their possession; multitudes seldom, too seldom, use it. And some are half ashamed of it, connecting it somehow with sentimentality. Heaps of people check their good impulses instead of eagerly giving them the rein. We must give ours a full rein to-day if we are to make the new world better than the old.

Some say that it is "natural" to hate anyone who is more fortunate than oneself, anyone who has more money, more influence, more power, more time for pleasure and more means of obtaining it. I don't think so. But when the possessor of all these advantages behaves as if he were a superior being, when he falls into the sin of pride, it is not surprising if he becomes unpopular, if he makes others long to pull him down. I know "magnates" who are absolutely beloved by those who serve them merely because they are thoroughly human. A great deal of nonsense is talked and written about humanity by pessimists. In my experience I have found few sayings truer than that which tells us that "a little kindness goes a long way." That is what we want—more kindness in England, kindness from the rich to the poor, but also kindness from the poor to the rich. And we want a greater and more completely understanding loyalty.

What is loyalty? I think it is faithfulness to the best interests of one's country, faithfulness to the King, who is a symbol of it, and who, to-day, is the first servant of Great Britain and the Dominions beyond the seas, readiness, when it seems necessary, to sink one's own private interests, to forgo one's own private advantage, for the sake of the united interests and advantage of the community as a whole.

We have looked out from the watch tower of our sea-girt land, and we have seen what disunion has brought to the birth in other countries: nameless horrors, which cannot even be mentioned here, murder on a gigantic scale, starvation on a scale even more gigantic, internecine strife, slavery, the complete collapse of justice, widespread robbery, the burning of towns and villages, devastation of great areas of land, the assassination of freedom. With such an object-lesson before our eyes can we remain supine, and lethargically allow the hideous poison which has infected the body of Russia to creep through the blood of England? Surely not. We are allowed free speech. Shall we use it to rouse the evil passions of our brothers? Or shall we rather use it to call up in all those who come near us a higher ideal than we have most of us had in the past? Actions certainly speak louder than words, but great words often help men to perform great actions. For words make thoughts, and from thoughts actions spring into being.

Hatred does infinite harm, but the greatest harm happens to him who hates. And those who hate each other can never combine in a great cause effectively. Class warfare can only bring about disintegration. Let us all set our faces against it. A family whose members quarrel among themselves is a subject of contempt among neighbours. It is called "unnatural." A country whose members quarrel among themselves is equally contemptible. Most of us have a strong feeling about the honour of the family—meaning our own family. We ought to have an equally strong, equally definite feeling about the honour of our country. We stood united in the war. Surely we can stand united in the Peace. Other nations are watching us. Some, perhaps, are wondering at us. For certainly we have recently been showing signs of acute nervous irritability. The war has given a twist to our tempers. Some of us are crying for the moon, and others are saying, "You shan't have it." Both are ridiculous. But there are things more worth having than the moon, and if we are comrades we can get them. But those who have must be ready to share with their brothers, and those who have not must refuse to be robbers.

He who would have a friend must know how to be a friend. If we can only learn to be friends among ourselves in England we shall be welded together in a greatness, in a prosperity, in a happiness, such as the world has not often seen. And then, instead of the hard-worked word " I," we shall hear oftener the more human, more brotherly word " we." But it must be used to include all our countrymen, not merely our own little clique, our own profession, or our own class. We must widen our interests. The brotherhood of man is, I believe, a far-away dream. But surely the Brotherhood of Britons can be made a living actuality.

ROBERT HICHENS.

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ONE-MAN BUSINESSES—II.: A SUGGESTION.

THE present article is an attempt to carry further a discussion begun on this subject in the April number of INDUSTRIAL PEACE. Let us recall the chief points of the problem. A one-man business does not differ essentially from a business that employs a few, or several, hands. Any plea that can be advanced successfully on behalf of those who work on the one scale will be almost equally true of the other scale. The special difficulties of small traders are fairly uniform, and familiar enough at any time. But among small traders those who, whether working quite alone or with a few associates, were personally essential to the conduct of their businesses, and who, consequently, had to close down on joining the Army, have suffered losses and hardships that seem to give them a peculiar claim on the consideration of the public. Their little capital is gone, or nearly gone, and the shutters are up. Unable to restart, they feel that as the war is the direct cause of their embarrassments the State or the public ought to help them.

The owners of one-man businesses have risen, as a rule, from the class below, by industry and self-reliance. Their having achieved economic independence proves their good qualities. They have their full share of the stout individualism of the British race. Those of them who have gone down through the war would be likley, *prima facie*, to establish themselves afresh, provided something is done for them.

Help might come conceivably from two sources, the State or the public. But the State is so deeply in debt and has still to find so much money for more urgent purposes that its help is likely to be confined to what is now done through the Civil Liabilities Commission. The small help available from that source may only be given under strict conditions as to method and period. The action of the State is bound, at the present juncture, to be both restricted and inelastic. Why, indeed, should the State single out, from among the multitudes whose finances have suffered from the war, the owners of one-man businesses for the niceties of a romantic justice ?

There is really better hope of help from the public. The public includes all investors. Many of these have been made rich during the war, and some of them have accumulated fortunes. If the matter were put squarely before them they would probably be willing to help the needy trader, who is not likely to succeed in getting the accommodation he needs from an ordinary bank. The main problem, therefore, is how to bring the trader and the investor together. Some suggestions may be offered :—

(1) The solution should be local.

(2) The method should be by a Committee, which should ascertain the position, plans, and needs of traders, and organise help from investors.

(3) Help should take the form of a collective guarantee to be apportioned among the beneficiaries and administered through the Banks; or of cash subscriptions.

(4) The scheme should develop, if possible, from some existing basis.

(1) Is self-evident. The problem is a local problem over and over again. In any town certain definite individuals, with names, habitations, wives, need the help which other local persons, equally definite, could give. No one at present knows which are which, or even what the scope of the problem may be. This problem, delicate and personal, is not suited for bureaucratic or centralised methods. It needs for its solution the influence of local patriotism and neighbourly feeling.

(2) Such a Committee would provoke confidences. It might throw a useful light on the defects of our banking system. It would not be popular with the local moneylenders. From its peculiar standpoint it would reconcile business motives with humanity; if it did—and why shouldn't it succeed?—"Capital" would prove itself a less heartless thing than its enemies think it.

(3) Very little actual cash need be put up at the start. At the year's end a levy might have to be faced. Everything would depend, of course, on the composition of the Committee and on the co-operation of the Banks. Let us say at once that most years a levy would be unavoidable—that is to say, if the scheme, once put into force, should outlive the present war emergency of the one-man businesses and become permanent as a Bank within the Banks, as a mixed agency of co-operation and criticism in the midst of ordinary banking operations.

(4) It seems probable that the scheme might profitably develop round or out of the work of the Civil Liabilities Commission, which must already possess a great deal of information about the class which it is proposed to help.

In any locality the first steps would appear to lie with responsible authorities—*e.g.*, the mayors—and sympathetic private persons. There is some analogy between the scheme propounded and the work of building societies. Those who are interested in the latter, it may be hoped, will bestow some thought on this new phase of co-operation. INDUSTRIAL PEACE would welcome communications on the matter, and would be prepared to form a central committee to push the scheme.

PRINCIPLE OR EXPEDIENCY?

AFTER mature consideration the trade unions concerned have rejected the Government's offer to sell to them the Chepstow and Beachley shipyards. However good and fair the opportunity may appear to be, there are, undoubtedly, a number of complicating factors which may make such an experiment too great a risk for the trade unions to assume at this moment. Their decision, all things considered, is probably a correct one, but the reason given for the rejection of the offer by the Parliamentary Committee of the Trade Union Congress is most unexpected. The Congress decided to reject the offer as being "against the basic principles of Trade Unionism." We should certainly have thought that the proposal itself was in exact consonance with such basic principles.

In its inception, Trade Unionism was, briefly, an organised effort to resist the capitalist oppression of the workers. The rise of the factory system and the establishment of industry upon a large scale, necessitated a change in the workers' status from independent craftsmen to that of wage-earners. Whatever may have been the effect of the system on the earning capacity of the individual, the wage-earner found himself deprived of economic freedom. Within narrow limits, as before, he could choose the trade he would follow, but once embarked, he found himself powerless to control the conditions of his working life—hours, place, method, quality of workmanship, selection, design and destination of the goods to be made, passed inevitably out of his control. Exposed to the ruthlessness of the least enlightened amongst employers, the workers united to regain the control which the individual had lost.

Mr. Sydney Webb defines the trade union as "a *continuous* organisation of workers for the improvement of the conditions of their employment." The earliest work of the unions was restricted mainly to enabling the workman to put a reserve price upon his labour. Funds were united in order to secure the livelihood of the worker who did not choose to work more than a given number of hours for a given rate of pay. Shortening of hours, raising of wages, securing of adequate protection against dangerous machinery were the main objects of their efforts, and these they endeavoured to secure, under the "free" or *laissez-faire* industrial system of their time, by the most effective methods that they knew—the strike, the control of apprenticeship, limitation of output, and the "Common Rule." The practices were probably a necessary outcome of their times,

but in large part they were as faulty and as economically unsound as the policy of the early manufacturers, and to-day the soundest trade unionists and labour leaders know that improvement of the conditions of employment on these lines has reached its limit, and that the " continuous organisation " must evolve new lines of development. In its origin, the trade union movement was one of defence : resistance to growing encroachment upon a previous standard of economic independence. In its present conception it is essentially an instrument of offence : the ideal of the trade unionist of to-day is a share in the control of industry such as will give the worker all the economic freedom permissible within the limits imposed by an industrial system which will meet the needs of the modern State.

In furtherance of this end, trade unionism is slowly being reconstructed on lines which weld all the workers of a given industry, and then the whole body of labour, into a single force. The industrial union (which unites all the workers throughout a given industry, *e.g.*, the National Union of Railwaymen and the Miners' Federation) is gradually ousting the craft union (which unites the men engaged in a single industrial process, and is ineffectual as a means of temporarily paralysing an industry, *e.g.*, the Ironfounders' Union and the National Union of Enginemen and Firemen). Strong industrial unions are federating for fighting purposes, as in the case of the Triple Alliance, which under certain circumstances can secure unanimous action from at least a million and a half of industrial workers. The General Federation of Trade Unions also attempts—though it has largely failed and numbers only about one million members—to associate all trade unionists for fighting purposes by organising a central fund for strikes. The Trade Union Congress affiliates some four and a half millions of workers for the purpose of securing a united policy for Labour regarding Parliamentary questions and legislation, and the Labour Party centralises the political aims both of the Trade Union and the Socialist movements. The tendency is to unite labour as a whole against the capitalist and the employing class, and the aim and object of such union is a better control of the management of industry. Militant labour does not believe in the ability of the master-class any more than he trusts their standards of justice. The advanced trade unionist no longer aims at extracting better conditions from an unwilling host. He believes that industry has been, and is, grossly mismanaged, and he means to secure his economic freedom by controlling the conditions of production.

Now, assuming that the principle of Trade Unionism is the workers' right to economic freedom, and given the present conviction on the part of militant labour that the capitalist

system is wrong, it is obviously the trade union's work to find the system that will bestow this right upon the workers. At the moment the call is for nationalisation. The Federation of Engineering and Shipbuilding Trades rejected the offer because they favoured national ownership. At their twenty-ninth annual meeting—at which the question, which had previously been submitted to the Trade Union Congress, was finally rejected—Mr. A. Wilkie, M.P., declared that "if the nation could run a Government, he did not see why, in the different industries, they could not work together on the same lines, paying the directors and managers sufficiently for their brains and capacity, as well as a fair wage to the workers."

Now, as a matter of fact, the nation appoints a Government in order that they may secure freedom and protection while going about the business of gaining a livelihood. National control of the means of the latter process is a very different proposition, though it may not be an impossible, nor in the future, an undesirable one. But Labour has not on the whole expressed conspicuous satisfaction with the Government which the nation runs, nor yet with the industrial ventures fathered by that Government during the last five years. A reliable instrument with which to forge the economic freedom of the country is not yet in sight. Can it be in any way opposed to the basic principles of Trade Unionism to discover and perfect such an instrument? Whatever pitfalls there might await the unwary trade unionist who accepted the Chepstow offer under existing circumstances, the scheme in itself seems to be in close accordance with the trade union principle. After all, the people are the nation—if one body acting on one principle has failed, what better policy can there be than for its opponent to work out his ideas and theories in the actual sphere in which he intends them to be applied; to learn himself by experience and to teach his followers, and, having discovered the means of maintaining industry and regaining a proper measure of economic control for all, to nationalise the scheme which he has proved the nation capable of running?

What is nationalisation? The Army is nationalised, and the trade unions are by no means enamoured of the machinery. Their idea of nationalisation is the control of all and of everything by all and for all. Such an ideal—and it is a very perfect ideal—supposes the willing and conscious co-operation of every member of the State. It supposes a slow educational process such as the present offer would afford. You cannot truly nationalise by Act of Parliament nor yet by revolution, but only by education in the meaning of the ideal, and experience in the means to its fulfilment.

THE DEVELOPMENT OF WORKERS' COMMITTEES.

In the series of articles on the Rank and File Movement which appeared in the early issues of Industrial Peace we explained the origin of the Shop Stewards' Movement and of the Workers' Committees. We endeavoured to show that these organisations were foreign to constitutional Trade Unionism, and that they were the beginnings of a revolutionary movement, the ultimate aim of which was the absolute control of industry by the workers. Since that time the question of Industrial Control has been more widely discussed, and many things have occurred to suggest new ideas.

When considering this demand for industrial control by the workers we must not confuse it with the more reasonable proposal for some system of control exercised jointly by Capital and Labour. This latter system, as foreshadowed in the Whitley Report, has been favourably received by many employers, Trade Union officials and social reformers. But we must remember that all schemes for joint control conflict fundamentally with the Workers' Committees which have been set up on the Clyde, in London, and in the Midlands by the leaders of the Rank and File Movement. The Whitley scheme presupposes that employers and employed have mutual interests ; that they are essential to each other, and that under a system of joint control the common interests of both would be more clearly recognised and better protected.

But the Workers' Committees, with which we are here concerned, start with the assumption that there is a basic and irreconcilable antagonism between the employer and the persons whom he employs ; that there is no common bond of interest between Capital and Labour. The stalwarts of these Committees contend that the employer is the worker's greatest enemy, and that his profits are derived from the *unpaid* labour of the workers whom he exploits. This *surplus value*, as Karl Marx calls it, provides us with Rent, Interest and Profit, usually described by the Marxist as the Holy Trinity of the Capitalist class. This is expressed more crudely by present-day agitators, one of whom, speaking at Bristol, stated that for every £1 in value created by Labour, the worker only received 7s. 6d., the remainder being taken by the Capitalists.

As, according to Marx, all wealth is created by labour, and the *surplus value* taken by the Capitalists represents the portion stolen by the employing class, the problem of the leaders of the " exploited proletariat " is how to end this

system of robbery and how to secure for Labour the whole of the wealth which it creates. It is obvious that if the workers accept this fallacious Marxian theory of wealth production they will look upon the Capitalist as a legalised Bill Sykes, and this is, in fact, the view of the revolutionaries on the Clyde and in South Wales. Any compromise with the "pirates" and the "brigands" of Capital is unthinkable, and every Labour leader who accepts such proposals as those contained in the Reports of the Whitley Committee, or the National Industrial Conference, is immediately branded as "a traitor to his class."

However ridiculous these conclusions of the Marxist may appear to be, we must not underestimate the effect which such a theory must logically impose upon all social and industrial relations. Anybody who regards employers as the enemies of the workers, and believes that the only way to secure the emancipation of Labour is by the entire destruction of all social and industrial institutions that arise out of the Capitalist form of society, must work for this desired end. And this is exactly how the revolutionaries feel about it. Whatever new organisation they create, or new method they adopt, it is with the intention of furthering the ultimate destruction of the existing social order. The Class War is waged in the spirit of a crusader who believes that the present social system is wholly evil, and founded upon injustice. In the economic classes held in industrial centres the origin and development of the "system of exploitation" is explained to the workers in so-called scientific and historical terms; and to-day many thousands of workers accept without question this narrow and extremely biased interpretation of all social phenomena.

With the above theory of society and industry in mind we shall better understand the character of the Workers' Committees which have grown out of the revolutionary movement on the Clyde. Extremists of the type of J. T. Murphy of Sheffield, and W. F. Watson of London, regard Trade Unionism as practically out of date—a form of Labour organisation which has become more or less obsolete owing to the development of industry in recent years. They recognise that craft unions are not suited to the waging of the Class War, and, therefore, if future Labour disputes are to be conducted with a view to the destruction of Capitalism and its products within the social structure, new methods of organising Labour will be necessary.

We must remember that until comparatively recent times Labour disputes mainly affected the craft unions, such as the

Engineers, the Boilermakers, etc., and the nature and duration of the dispute were largely determined by the craft interests involved. The more general interests of the workers as wage-earners rather than craftsmen have come into great prominence since the growth of organisation among the unskilled and semi-skilled workers. It is in the unions which cater for these classes that we get the nearest approach to the industrial unionist method of Labour organisation.

Mr. J. T. Murphy has dealt with some of these points in a series of articles in *The Socialist* on "Trade Unionism in the Melting Pot." We will examine Mr. Murphy's criticism of Trade Unionism on a future occasion, but in support of the question now under consideration—the inability of Trades Unions to promote "class" warfare in the Marxist sense of the term and to participate in revolutionary action—Mr. Murphy says :—"The trades unions, which embody the army of Labour, are not of sufficiently uniform character to meet the demands made upon them for adaptation to new requirements. They have grown in numbers and as they have done so they have developed ideas greater than the organisations can put into practice." He further states that "the Trades Union, by its nature, is an organisation of particular kinds of workers as distinct from others." But the industrial processes of to-day tend to create groups of inter-dependent workers who are "necessary to each other for the carrying on of production." This is what the Marxist calls social production. "The Trades Union," says Murphy, "splits these groups and maintains distinctions which the social processes are rapidly making artificial."

It is this view of Trade Unionism which makes the destruction of the craft unions essential to the social revolution that Mr. Murphy so ardently desires. The member of a purely craft union regards every dispute from the craft point of view, which prevents him from becoming truly class conscious. But if he is to be a whole-hearted revolutionary, determined to overthrow Capitalism and Society, he must ignore the interests of his particular craft or trade and only regard himself as a poor, exploited wage-slave, and the equal of the lowest paid unskilled worker. Unless he reduces himself to this level he will never be fitted to advocate the class-war or to be a leader in the revolutionary movement. Hence the necessity for abolishing Trade Unionism as the first step towards the organisation of Labour for the Great Revolution that will end all despotism and social wrongs, and lead the down-trodden slaves of Capitalism into "the new heaven and the new earth."

PROGRESS.

THE other day, in the course of the debate in the House on the Ministry of Ways and Communications Bill, a piquant moment occurred in which a Conservative twitted a Liberal with obstructing Progress. The Liberal had expressed misgiving regarding the effect on liberty of the wide powers assigned to the new Ministry. The Conservative, " Co-ordination " ringing in his ears from previous speeches, boldly identified the organisation set out in the Bill with Progress. For a moment the House felt that there was more to be said, but on the spur of the moment no one essayed to make the necessary distinctions.

Let us see how we should draw them. First, as to Organisation. Ordered work, interdependence of function, hierarchical responsibility, command with its correlate obedience—these are its main features. They rest on extreme division of labour, and on a concentration of control that also tends to be extreme. The *morale* of Organisation includes very valuable elements. By Organisation the efforts of many men become convergent. Their gifts and powers, though different, are united in tendency and reinforce each other. The effect is bracing and energising. Under good Organisation work goes with a triumphant swing.

The faults of Organisation are the faults of power and of the love of power. Men undergo an intoxication from the very instruments which they forge for themselves. The chief defect of a powerful organised unit is its tendency to become aggressive. Concentration of initiative breeds the despot, and from a despot's ambition all sorts of evils may flow, some immediate, others deferred, but all the more formidable from their complication with each other, and from the despot's having the initiative. If Organisation avoids these graver faults, it is often by embracing the other extreme—viz., stagnation and automatism.

Organisation, of which the chief virtue is efficiency, cannot be the whole of Progress. Let us see whether Liberty can. The man who invokes Liberty—and we must view him in his more extreme moods—seeks to safeguard the spontaneity of his nature, refusing to surrender himself to be this or that definitively. He is on guard against intrusive elements that might supplant his own spontaneity, and against conditions which might restrict or abolish its opportunities. He keeps the ways open for the recurrent phases of life, lest his personality should

relapse into a mere instrument, a docile pawn in a game, an item in some scheme. Liberty in the pure form is an attitude of disavowal and declinature. The absolutely free man refuses to identify himself with this, or to submit himself to that, or to become in any way the subject of discussion as a disposable thing. Thus he is a sort of recusant, elusive and unsubstantial. Whoever may stand in, he stands out. He saves his life, by severance as it were, and he keeps his initiative, in which, by the way, he resembles the despot.

The faults of Liberty thus conceived are that it is empty and disruptive. Yet life must have substance, and that a socialised substance. Life in a society—and it can be lived nowhere else—entails certain submissions and acceptances. There is no wisdom in protesting against the *cadre* of social conditions under which life and work must go on. A certain measure of wisdom, a certain concern for Liberty, went to the building up of these. Not only must conditions be accepted, but aims as well. Even the enthusiast for Liberty finds that in practice lives overlap and aims are shared. The Liberty lover must eventually consent to identify himself with the purposes and methods of the social movement. It is thus that life takes definite shape and multiplies the specific modes without detriment to freedom.

There is no inherent incompatibility between Liberty and Organisation. In general Progress is compounded, in a workable compromise, of the ordering tendencies and the needs of spontaneity. It consists in a somewhat delicate adjustment between the two principles. Sometimes the adjustment fails. There then emerges a specific incompatibility between Liberty and some aspect of Organisation. In the present era of reconstruction, when Organisation is in the ascendant, it is difficult to be certain that Liberty is safe. Each new Ministry fastens a fresh range of controlling conditions upon the energies of the nation. It is not surprising that many men are divided between two allegiances, Order and Liberty, or that the partisans of both claim to be the champions of Progress. Whether the present reforms embody the right adjustment between the two principles the future must show. Bureaucratic schemes are easy to draft: to challenge them in the name of Liberty is also easy. A realisation of the twofold nature of Progress is the prime essential of sound schemes, and even more of soundness in their working.

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VIEWS OF THE MINORITY PRESS.

In its present energetic campaign on behalf of the "ill-used soldier," the *Daily Herald* appears to be actuated chiefly by a desire to foment disaffection among the troops. We learn from the leading article in the issue of May 12th that after the "Folkestone Riots" the men, finding that the editors of all other papers were "fair-weather friends," turned to the *Herald*, and the *Herald* advised them, and will "continue to advise them, to do a perfectly lawful and legitimate thing—namely, to organise themselves in their union and become part of the great Labour movement of this country." This paper establishes itself as the champion of the soldier by claiming that through its influence the Government will be forced to release the "Derby men," who can do nothing to insist upon release for themselves. "The soldier is helpless. The whole system of military discipline is designed to make him helpless. It is a cruel system. . . . We have always stood by him and shall at all costs continue to do so. . . . The Government regards every contract as a scrap of paper to be torn up at the bidding of 'military necessity.' It can be moved by no impulse except fear. It is for the great, powerful, peaceful multitude of organised workers to make the Government afraid of doing injustice."

The *Daily Herald* made a great feature of the threatened Police Strike, and did all in its power to accentuate the dangerous elements of the situation. The most glaring example of the methods of this publication occurs in the report of the Home Secretary's speech in the House of Commons on Friday, May 30th. The *Herald* published only those portions of the speech that might, when removed from their context, have an irritating effect upon the men; not a word of Mr. Shortt's statement about the increased wages and benefits for the police was given.

In the leading article of the same issue the police and prison officers were urged to "be of good cheer." "Their cause is the cause of Labour the world over. By unity and loyalty toward one another they are sure to win. No one can defeat them but themselves. . . . Therefore we say to the soldiers, sailors, airmen, policemen: 'Remember always that you are men and workers! Be true to one another, then you are proof against defeat.'" In another issue the *Herald* stated that "should the Union find it necessary once again to take drastic action,

we shall be with them." The same paper was chosen by the Police Union to publish the apology from the Police to the Discharged Soldiers and Sailors after the fracas at Westminster, and in a leading article on the subject the writer points out that the lesson to be learned from the "artificially engineered conflict" is the need of unity, loyalty, and solidarity amongst the workers against the common enemy—Capitalism.

The *Masses* preaches much the same doctrine in the June issue when it urges that "the Policeman, no less than the soldier—whether in service or demobilised—must be taught that the interests of *all workers* are identical, and that we have one common enemy—the capitalist class, of which the Government is the Executive."

The *Call* (June 5th) cares nothing for the benefits conceded to the Police, since Recognition, which is the main issue, has been withheld. The Government is accused of bribing the men with wage increases and better working conditions in order to escape the "turning point of class domination"—the further establishment of the principle of Recognition. "The salvation of capitalism has hitherto lain in the possession of a section of uniformed working men relinquishing all sympathy and identity with their class. . . . Tommy, Jack and Robert are regarded as a divinely given counter-revolutionary force. Hence the fear-compelling 'firmness' against Trade Unionism in the Force. After the police then the soldiers and sailors. And then? Capitalism will meet its Waterloo. . . . Recognition is the issue, for it is the budding of class-consciousness that, pervading and inspiring all sections, kinds, and grades of Labour, will shatter class domination and free the world."

Sylvia Pankhurst (the *Workers' Dreadnought*, June 7th) regrets that the Police, like many others, have hesitated on the brink of a strike, and points to the "splendid lead . . . given by their comrades in Winnipeg." She deprecates the action of the Union officials in declaring that they will call their members out in the case of a possible strike by the Triple Alliance, since the Alliance is most unlikely ever to lead a strike movement. She warns the police not to put all their eggs in one basket in this way and pins her own faith for *real action* to the London Workers' Committee. "The old-fashioned elements in both bodies" (the Triple Alliance and the Labour Party) "are as yet, and perhaps will remain, unconverted to the need for the great revolution until it has been brought about by abler, more adventurous spirits."

The result of the interview between Mr. Bonar Law and the Parliamentary Committee of the Trade Union Congress on the

subject of the Southport resolutions was badly received by the Minority Press generally. The *Call* (June 5th) arraigns the Labour Leaders as " those ever-obedient lackeys of the master class," and asks, " Will the workers ever realise how they are betrayed by them each time they charge them with some mission ? " It suggests that the only remedy for this state of things is for the rank and file to assert themselves, " if they are in earnest they will do so. They will meet at a convention, dismiss their incompetent and dishonest leaders, appoint a strike committee, and declare war upon the Government, the House of Commons, and all the State machinery of British Capitalism. It is time the masses took their fate and honour in their own hands. They will find that they can do so much better than those whom they call leaders, but who, in reality, are lackeys of the capitalist class."

The *Communist* made its first appearance in May as the organ of the Communist League, and contains the League's manifesto, in which it is laid down that " the working class, in order to achieve its emancipation, must abolish the entire Capitalist system of production, distribution, and exchange. . . . The new society will be a Co-operative Commonwealth, wherein the land and the means of production will be controlled by, and on behalf of, the whole of the people by the democratic vote of its adult members." In another paragraph the Communists are described as the propagandists of a new society, whose main activities are centred round the formation and work of the Workers' Committees and Councils. " As members of the working class the Communists enter these committees and councils, and by their agitation and education extend the growing class-consciousness. They affirm that only by the *direct industrial action* of its political institutions—the Workers' Committees and Councils—can the working class defeat the class legislation of Parliament, and ultimately secure control of the means of production. The Communists form themselves into local groups or branches linked together into the Communist League, whose function is to conduct an organised propaganda dealing not only with the sequence of economic events, but showing the workers that their emancipation can only be achieved by themselves, organised as a class, and seizing control of the means of production. . . . Let us then look to the forthcoming struggle with confidence. . . . The standard of Communism has been raised in Britain. We ask the workers to rally to the Communist League, whose watchwords are Social and Economic Equality ! The Land and Means of Production for the People ! "

FOOD FOR THOUGHT.

Of all the many sins, both those of omission as well as those of commission, which are charged against the Government, the most numerous and the most authentic are due primarily to the atrophied condition of that part of the mechanism which should possess the quality of imaginative foresight. Government officials are seldom dishonest, generally industrious, often well-informed, and sometimes intelligent; their great handicap lies in a constitutional inability to perceive anything at a greater distance than one inch in front of their official noses. As a consequence of this disability preventable situations are continually arising, which upset the equilibrium of the ship of State, often to an alarming degree. We are, however, unable to remember any blunder quite so suicidal as the issue of the notorious " strike-breaking " document, circulated confidentially on the alleged authority of the Secretary of State for War. We say " alleged " because it was obvious, without the necessity for any disclaimer, that only a cast-iron idiot could have drafted or approved such an egregious howler. No wonder that Mr. Churchill pricked up his political ears when he first heard of it!

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In some quarters there is an inclination to belittle the importance of the exposure of this outrageous solecism, and we have even heard the whole affair dismissed airily as a storm in a teacup. Such an attitude is a serious aggravation of the original offence. In our opinion this incident has an importance far beyond its face value, and, Heaven knows, that is sufficiently deplorable. Looked at from the point of view of the War Office, which is almost contemptuously indifferent to the subterranean fires which convulse the Labour world, and self-satisfied with the reflection that no harm was intended, the whole affair assumes only departmental significance; but considered from the standpoint of Labour, which is almost childishly apprehensive of militarism and distrustful of governmental good faith, the incident gives colour, if not substance, to the bogey which agitators have been at such pains to manufacture and dress up for their own nefarious ends. Such a windfall was too good to be true, but *The Daily Herald* swooped on its prey with elation, and used it with such effect that a very

considerable number of people have actually been persuaded that the circular letter meant what it said.

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The situation was worsened by the delay in answering the fulminations of Mr. Lansbury's paper, and, although Mr. Churchill struck some shrewd blows in his speech a fortnight later, he failed to meet the case with quite his accustomed dialectic. There was too much explanation of what was obvious, and not enough recognition of what was essential. He castigated the mischief-makers who had "blown the gaff," but he dealt tenderly with the incompetents who were responsible for the prime offence. A better way would have been to have announced that the author of the peccant document would be removed forthwith from his office, and to have given an undertaking that in future steps would be taken to ensure that the vital interests of Labour would not be jeopardised by such casual, and consequently such inexcusable, blundering. The point which Mr. Churchill ignored was the scandal that the department over which he presides persists, despite many warnings, in maintaining a traditional attitude of superiority in matters beyond its competence. When the Army authorities administered a small force of regulars, ignorance of non-military affairs was intelligible if not intelligent, but when a national army was called to the colours it behoved all those in responsible positions to rise to the occasion and to acquaint themselves with at least the broad considerations that exercise the civilian mind.

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We have, however, to thank Mr. Churchill for his outspoken condemnation of the methods of the revolutionary organ which devotes itself so whole-heartedly to the congenial task of mischief-making. He performed a notable service, and gave a salutary warning when he said "the whole intention of this newspaper is to provoke an outbreak in the form of a mutiny or general strike, or preferably both together, in the hope that a general smash and overthrow of society may result. That is the general and cheerful idea. Whether it is discharged soldiers, or police, or soldiers still retained with the colours, or workmen who are in the vital services, the object of the paper is perfectly plain. It is to weld them all together, to rouse them all together, to make a general overthrow on the Russian model." This is neither more nor less than the truth, and the sooner the people of this country appreciate it the sooner will they be ready to defeat the conspiracy of which they are the

dupes and of which the chief promotors are irresponsible cranks who would not hesitate to embroil us in civil war in order to salve their wounded vanity or to indulge their insane craving for notoriety.

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The attitude of the Government towards incitement to treason is somewhat obscure. If the disinclination to prosecute proceeds from a statesmanlike reluctance to employ stern measures until every other expedient has been tried and found wanting, a waiting policy, even if it is mistaken for weakness, is to be commended. If, on the other hand, it proceeds from timidity or *laissez-faire*, it is to be regarded as a gross betrayal of national interests. Mr. Churchill's compromise is unreal and unconvincing. The history of the last few years has proved conclusively that the influence exerted by the type of agitation he referred to is increasingly effective. No good object is served by attempting to minimise its gravity.

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The Bolshevik Government in Russia has made a belated discovery. It appears that it has come to the knowledge of the authorities that a dangerous book which positively teems with counter-revolutionary propaganda has been circulated in large numbers and amongst the rapidly dwindling inhabitants of Petrograd. Of course, no Government worthy of the name, and especially if it is "broad based upon the people's will," could tolerate the propagation of reactionary literature, and so the offending volume has been duly added to the *Index Expurgatorius*, and its introduction into the State prisons strictly prohibited. This action on the part of the Leninite faction is the more readily to be appreciated when it is explained that the book is question is none other than the Bible.

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Now the discovery has been made that the Bible contains a time-honoured code of practical morality which was first committed to writing by Moses, and consequently the more dangerous as being likely to corrupt those proletarians who belong to the Jewish persuasion. These Ten Commandments, for so are they termed, are diametrically and insistently opposed to the tenets of Bolshevism as practised in the most exclusive Russian circles, and are of such a character that if they were obeyed by any considerable number of people would very quickly bring about the downfall of the existing Government. What could be more subversive to the discipline of a Red Guardsman, for example, than to be told, "Thou shalt not

steal," or, "Thou shalt do no murder"? What more disconcerting to a Leninite than the prohibition, "Thou shalt not covet thy neighbour's goods"? and what more demoralising to the "toiling masses" than the injunction, "Six days shalt thou labour"? when, as everybody is taught to believe, the thirty-hour week now projected is but an earnest of better things to come when the world is purged of "wage slavery."

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The latest prominent convert to Bolshevism appears to be the Amir of Afghanistan, who has sent "a solemn delegation of honour" to invite Bravine, the notorious propagandist, to Kabul. Aminullah Khan declares his adherence to the Bolshevist doctrine, and states that he intends to introduce the new creed into Afghanistan. The invitation to Bravine suggests that the Afghans are not so "advanced" as their ruler, who surely has no need for instruction either in the theory or in the practice of sacrilegious violence, for has he not broken his oath, murdered his father, and borne false witness against his brother. It may be that Kabul is inconveniently overcrowded, and, if so, the Amir could have hit upon no surer way of reducing the population than by introducing Bolshevism. At the same time we do not envy Bravine his job, and the epitaph of the first man who dares to whisper the phrase "democratic control" to the Amir of Afghanistan may be summed up in the words of the once popular refrain—"And We Drew His Club-money this morning."

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We have refrained from commenting on the peace negotiations for the very good reason that uninformed criticism, of which there is always plenty flying about, can achieve nothing but harm. We have been content, therefore, to await developments and to hope for the best. We feel compelled, however, to register a protest against a clause which we understand is included in the peace terms to be imposed on our enemies. We refer to the demand that a large number of milch cows should be handed over to the Allies. Although we discount some of the stories that are current as to the effect of the blockade, and are far from convinced that starvation is the proper word to employ in describing the food shortage in Germany and Austria, there is no shadow of doubt that a serious deficiency in the milk supply exists in Central Europe. Not even the most virulent anti-German can wish to injure children, yet any reduction in the already insufficient milk ration can have no other result. We do not belong to the "forget and forgive"

school, but there is a happy mean between turning the other cheek and demanding Shylock's bond of a pound of flesh cut off nearest our enemy's heart. To insist on such a penalty would be both a crime against humanity, and a political blunder of the first magnitude, for not only would it bring disgrace on our good name and encourage Bolshevism, but it would perpetuate a legacy of bitterness which time could never eradicate.

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If our information is correct, those wage-earners who have been thrown out of work in consequence of the change-over to peace conditions, and who are in receipt of the unemployment benefit commonly known as "the dole," are not the only pensioners that a long-suffering State has to support in idleness at the present time. We understand that certain factory-owners who paid the excess profits tax during the war, are being reimbursed (up to a maximum equal to the amount of tax paid) by way of compensation for loss of trade experienced during the transition period.

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Provided that proof is forthcoming that the owners of such factories are making every endeavour to restart their business on a self-supporting basis, we admit that a good case can be made out for such a course of procedure, but we gather that there are firms who are content to sit tight and draw their money without making any sort of effort to embark upon new industrial enterprises. Unless the instances which have come to our notice are rare and exceptional, there open endless vistas of approaching national bankruptcy. No more vicious circle can well be imagined that a community of interest between employers and employed which is based on the pauperisation of both parties in productive industry. The Excess Profits Tax had little to commend it at any time. Designed originally as a make-believe sop to Cerberus, it failed in its first object and led incidentally to every kind of extravagance and looks like culminating in a most dangerous abuse.

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Elsewhere in this issue we deal with the Trade Union refusal to undertake responsibility in connection with the shipbuilding industry at Chepstow. The same neighbourhood offers a second example of an interesting industrial experiment which has been frozen out. In this case the cold-water tap was turned on, not by Trade Union officials, but by what looks like bureaucratic ineptitude and lack of vision. Having to find housing accommodation for the shipyard workers, the Government commissioned a private firm of builders to erect a number

of cottages, the cost of which worked out at so extravagant a figure, however, that it was stated in the House of Commons that steps had been taken to terminate the contract. As an instance of the uneconomic working conditions prevailing, we may mention that some eight or nine hundred workmen had to travel daily to Chepstow from their homes in Newport, an arrangement which involved a dead loss of twelve hundred working hours per day (one and a half hours per man), plus the actual cost of travel. It appears that some six months ago a concern bearing the alliterative title of the Chepstow Co-Partnership Constructional Company had been formed, largely with the idea of giving employment to demobilised building mechanics. This concern aimed at a scheme of co-partnership, with direct interest in and control of the business by the workers engaged. A number of ex-soldiers, all experienced mechanics, with a knowledge of the local conditions, and prepared to live in Chepstow in hostels already provided for such a purpose, were got together, and the scheme was submitted to the Minister of Shipping, who looked on the project with favour and was prepared to give the C.C.C.C. a contract. On March 5th, however, the control of shipyard construction passed into the hands of the Office of Works, and, Box having succeeded to Cox, the whole scheme was promptly vetoed by the new authority, not, so far as we can discover, on its demerits, but on a side issue which apparently was only introduced into the argument for the sake of justifying the veto.

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The Office of Works stated that they declined the offer because strong opposition to the project was raised at a Trade Union meeting and because the Labour Party had stated that they would have nothing to do with any such scheme. Thereupon the organisers of the co-operative venture determined to sound the local trade unions and to obtain their approval if possible. In this they were successful, and on March 31st the Chepstow branch of the National Federation of Building Trade Operatives passed a resolution unanimously supporting the working details of the co-partnership scheme as submitted by the C.C.C.C. As there now appeared to be no reasonable objection to a start being made, the Government was again approached and a copy of the Trade Union resolution submitted. A week later the Company was informed that "the Labour Party have never had your project under consideration and know nothing of it, therefore to state that the Labour Party is opposed is incorrect." From which statement we may conclude

that it is red herrings, not arguments, that form the stock-in-trade of the Pharaohs of Whitehall.

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Speaking in the House of Commons in connection with the Government's invitation to the Trade Unions to assume control of the National Shipyards at Chepstow, Colonel Leslie Wilson, M.P., expressed the opinion that the Government "could claim to have explored every path in order to get co-operation with Labour in these yards. They had not been successful, but the door was not closed. . . ." This may be true of "these yards," but it brings little comfort to the man who finds himself on the wrong side of the door to learn that some other fellow has refused an invitation to come inside.

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May 31st saw the birth of still another "rebel" weekly. *The New World*, which is the official organ of the International Union of Ex-Service Men, describes itself as "The Sailors' and Soldiers' own newspaper," but is less concerned with the welfare of ex-Service men than with the enlistment of likely recruits for the "class-conscious" army. Its method is to create a general sense of injury by the malign interpretation of isolated instances of injustice brought about by oversight, ignorance, or miscarriage. For the mere soldier or sailor, as such, *The New World* has little sympathy. A party of discharged soldiers who dispersed an I.L.P. open-air meeting are described as "a gang of drunken fools wearing silver badges . . . human lice who will do anything for a pot of 'workman's chloroform,'" for, as *The New World* naively states, "They were not members of the International Union of Ex-Service Men." All other soldiers' and sailors' organisations are condemned *en bloc* in the statement that "their united efforts really do more to hinder than to help," and the Comrades of the Great War are specifically damned as belonging to "an imperialistic and anti-labour body."

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As we go to press our attention is called to Sir Leo Chiozza Money's reference to INDUSTRIAL PEACE in *The National News*. He invites us to examine his deductions on the distribution of the national wealth in the light of what Dr. J. C. Stamp has to say on the subject in "British Incomes and Property." We hope to accept this challenge in our July issue, but, meanwhile, we would suggest to Sir Leo Money that he should reconsider his own conclusions in the light of Professor A. L. Bowley's "Division of the Product of Industry."

No. XXIII

JULY

MCMXIX

"Europe must work or starve."

—*Hoover.*

INDUSTRIAL PEACE

CONTENTS

Distribution of the National Income

Practical Economics

Direct Action for Political Ends

Building Wages and Housing

The Cotton Industry and its Problems

Views of the Minority Press

Food for Thought



INDUSTRIAL PEACE

DISTRIBUTION OF THE NATIONAL INCOME.

WE all know that there are poor and that there are rich. We admit that the distribution of the national income might be much better adjusted than it is at present, but nothing but harm can result from exaggerating the inequalities that exist, and encouraging the belief that comfort and even luxury for the many can be provided out of a store of wealth now in the hands of the few. For this reason we took occasion, in the May number of INDUSTRIAL PEACE, to remark that " much enlightenment would result if steps were taken to prove in individual instances the crude falsity of the calculations indulged in by Sir Leo Chiozza Money and his disciples." Commenting on this remark in the *National News*, Sir Leo Money suggests that we should quote, by way of an apology, what Dr. J. C. Stamp has to say on the subject in " British Incomes and Property." Although this journalistic challenge is really only a red herring (Dr. Stamp never having endorsed the fallacious conclusions to which we took exception) we are not unwilling to gratify Sir Leo Money by quoting the testimonial he appears to be so proud of. It amounts to this, that the author of " British Incomes and Property " prefers Sir Leo Money's method of attempting to establish the distribution of wealth by reference to Income Tax and House Rent to divers alternative methods of calculation followed by certain other enquirers. This is faint praise, and we know of nothing in Dr. Stamp's book, or elsewhere, which should make us hesitate to attack Sir Leo Money's use and interpretation of statistics, whenever he departs from what we have good reason to believe is the truth. Such departures are not hard to find and we will take a recent example of Sir Leo Money's propagandist activities and leave our readers to judge whether we have exceeded the limits of fair criticism in accusing him of " crude falsity."

Mr. Arthur L. Bowley, in his recently published analysis* of National Income before the war, estimates the product of

* " The Division of the Product of Industry," by Arthur L. Bowley, D.Sc., Professor of Statistics in the University of London.

home industry in the year 1911 at nineteen hundred millions of pounds, which he divides as follows :—

800 millions	received as wages.
264 millions	received in small salaries, or earned by independent workers or small employers, whose income was due almost entirely to their own exertions.
145 millions	earned as salaries or by farmers.
190 millions	" unearned," in the current sense of the word.
407 millions	received as the profits of trades and professions by persons with incomes of over £160 per annum.
94 millions	otherwise received by persons with incomes of less than £160 per annum.

—Total, 1,900 millions.

Mr. Bowley concludes (*a*) that 60 per cent. of the total national income of 1911 was received by persons with an annual income of less than £160 per annum ; (*b*) that, assuming that it were possible to reduce all earned incomes to £160, after allowing for such incomes, for the national expenses defrayed by taxation, and for the necessary national saving, 250 millions is, on the most generous reckoning, the outside amount that could possibly be available for distribution ; (*c*) that if all incomes were reduced to £160 one-eighth of the national income might be available for division amongst the 38 million people having incomes below £160 ; (*d*) that, before the war, this sum would have been little more than sufficient to bring the wages of all adult men and women up to a minimum of 35s. 3d. weekly for a man and 20s. for a woman.

These figures and deductions, which are arrived at after a careful investigation of the numbers employed and the wages and salaries earned in the various industries of the country as given in the Occupational Census of 1911, may be right and they may be wrong. If they are incorrect, it is open to Sir Leo Money, or anybody else, to disprove them, but it is not legitimate to publish a statement which is in diametric contradiction to the conclusions reached by Mr. Bowley and present this statement in such a way as to make it appear that it carries the authority of the original compiler of the figures. This is what most people would call sailing very near the wind.

In " The Error of Distribution " (Fifty Points about Capitalism, published in the *Daily Herald*), Sir Leo Money quotes correctly certain portions of Mr. Bowley's statistics, but, ignoring his conclusions, substitutes his own inferences in their place. By adopting Mr. Bowley's figures and carefully substituting the word " draw " for his better known term " enjoy "*

* See Sir Leo Money's " Riches and Poverty," 1910 Edition, page 41.

he is able to assert, apparently on Mr. Bowley's authority, that " in 1911 the manual workers, who, with their dependents, formed about two-thirds of the entire population, drew only one-third of the National Income." Of course, he does not definitely state that this is Mr. Bowley's estimate of the situation ; but, in view of Sir Leo Money's reference to Mr. Bowley, without a word of dissent, it would come as a shock to the ordinary reader to learn that the contention of the latter authority is that sixty per cent. of the national income is in the hands of people whose annual income is less than £160.

Quite apart, however, from the question of what looks like an unjustifiable attempt to misrepresent the views of another writer, in order to add weight to his own conception of the distribution of the national income, there is much in Sir Leo Money's *Herald* article that must be taken with many a grain of salt. By dint of employing a maximum of ingenuity he is able to compress a minimum of accuracy into the briefest possible compass, but fortunately he gives the figures which form the basis of his deductions, and this rash habit helps us to detect in some detail, how, where and why he deserts the high road of scientific investigation to wander in the by-paths of socialistic speculation.

To follow Sir Leo Money's argument step by step would involve us in a mass of arithmetic, which is too complicated an undertaking for these pages. We may, however, point out in general terms some of the strange results that he arrives at, and indicate some of the odd methods which he employs in the process.

He begins by separating the " wage-earners " into two groups, viz., 14,750,000 " manual " workers and 900,000 shop assistants. To the first group he allocates 720 million pounds and to the second 62 millions. So far so good ; but let us see where these figures lead us. If we divide the amount of money by the number of wage-earners we get the following unexpected result, viz., that whilst the average share per head of the " manual " worker is approximately only £49 per annum, the average share of the shop assistant is as high as £69 per annum. This may not be a very important point in itself but we imagine that many shop assistants, especially those who " live in," will get the surprise of their life when they learn that their wages, on the average, are higher than those of the " manual worker " by some forty per cent. It almost looks as if there must be something wrong with Sir Leo Money's figures.

But to proceed ; taking two-thirds of the population shewn in the census of 1911, and deducting therefrom the number of " manual workers " given by Sir Leo Money, we find that

each " manual worker " must have had on the average only 1·04 persons dependent upon him or her. This seems another odd result which neither agrees with the average number of dependents claimed for under the separation allowances granted to manual workers who enlisted during the war, nor fits in with the accepted estimate that the average family consists of 4·25 persons, of whom approximately 1·9 are earners and 2·3 non-earners. Again it looks as if the original figures are not quite reliable.

But this is not the most curious part of the business, for if we continue our calculations, still using Sir Leo Money's figures as a guide, we find that when the balance is struck, that is to say when all the population and all the national income is accounted for, the three hundred thousand rich taxpayers (that " relative handful of people " who are alleged to draw as much income as over thirty million souls) are left out in the cold with neither wives, children nor other dependents to help them to spend their fortunes. Once more we ask whether this can be true in fact and, alternatively, whether it is possible that some culinary expert has been at work on the figures ?

Sir Leo Money concludes with the shibboleth which has done such yeoman service at innumerable socialist meetings and in countless Fabian tracts, which has been repeated by Mr. Philip Snowden in his " Socialism and Syndicalism," echoed by Mr. and Mrs. Webb in their pamphlet on " The Principles of the Labour Party," and renounced by Mr. Robert Blatchford in the *Sunday Chronicle.* " Remember that it is true," clamours Sir Leo Money, " and never cease to circulate the fact as long as it remains true, that two-thirds of our people have to live on only one-third of the nation's income." Sir Leo Money must know that the implied suggestion that two-thirds of the nation *derive benefit* from only one-third of the national income is false, he must be aware that since the war the distribution of wealth has shifted materially in favour of the wage-earning class, and he cannot be ignorant of the fact that a large proportion of the taxpayer's income is deducted at source and not " drawn " in any real sense by the nominal owner, yet when he addresses his not too critical readers in the *Daily Herald* he mentions none of these material considerations, but reiterates the discredited refrain which may be popular but is certainly not true. If this action is consonant with Sir Leo Money's idea of fair play and up to the level of his reputation as a scientific investigator of the social sciences, we know where we are and there is nothing more to be said.

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PRACTICAL ECONOMICS.

"*Society assumes that value is an adequate indicator of wants, and that with this automatic indicator nothing further is required to secure the most economic application of productive forces to need.*"

HENRY CLAY.

Production and Distribution.

IF, in the past, there has been a tendency to concentrate upon the methods of production and to leave the process of distribution to take its "natural" course, there is to-day an increasingly powerful school of thought in the Labour and Socialist world which concentrates too exclusively upon the science of Distribution. The reaction may be natural and inevitable, but, like most reactions of its kind, it is more exaggerated in its bias and more dangerous in its effects than the evil from which it springs.

Two Inseparable Parts of a Whole.

The truth is that Production and Distribution are two intimately related parts of a whole, each flourishing on the life of the other, neither having meaning or being, except as the complement of the other. It is useless to consider economic facts piecemeal unless we keep before us the ideal of public well-being as the economic goal. To do this intelligently it is essential to recognise that Production and Distribution are one, and that you cannot, in the long run, have progress on the one side without corresponding progress on the other. If you starve or neglect either, both must suffer.

Production is Dependent on Demand.

It is popularly assumed that Supply is adequately and naturally governed by Demand; that those things will be produced for which there is the greatest and most constant demand, and that the demand will be for those things that men deem most necessary, useful and desirable. On this assumption it is contended that the only safe and right course is to follow the "natural law" of production and supply the given quantity of particular goods which will be consumed, or purchased.

But Demand is Neither Rational nor Equal.

Assuming all men possessed of perfect judgment and desirous always of exercising it, it is true that we might confidently expect there to be first of all a steady demand for wholesome food, essential clothing, decent housing, implements of production and equipment for livelihood. And, were all possessed of equal purchasing power, these first requirements satisfied, man's surplus wealth would determine the amount, and his variety of tastes the nature of the luxuries which he might then produce. But man is not rational, and the distribution of wealth by no means equal. Yet, as we shall see, the real social usefulness of free, competitive production depends entirely upon the character of the Demand and the conditions under which it is exercised.

Rational Needs *versus* Irrational Desires.

In the evidence given before the Coal Commission it was stated that the miners in a certain district objected to paying more than two shillings a week for house rent. We have persistently been told in the past that the slum-dweller has an affinity for his slum and that his slatternly wife would not use, much less keep clean three or four rooms if she had them. The provision of a bath, we were also informed by a witness before the Coal Commission, would be regarded as an invitation to commit suicide, and it is constantly reiterated that the working-class do not want and would not use baths when provided. On the other hand, there is among even the very poorest a strong and steady demand for beer and cheap spirit, and for picture palace shows and gambling facilities. And so while public houses and cinema palaces spring up on all sides amidst the veriest hovels, the provision of healthy conditions of living is severely neglected *because there is no demand.* The people are willing to spend comparatively large sums on drink and pictures; every penny spent on rent is grudged. But price—willingness to pay—is the only admitted indicator of what men want and must have.

Demand Influenced by Distribution.

Even supposing men rational, the conditions under which Demand is exerted must be taken into consideration. An accredited Labour Leader stated recently in the House of Commons that one cause of industrial unrest was to be found in such things as the accounts of extravagant expenditure on bridal trousseaux published by the newspapers. If this were only due

to the envy of the poor for the rich, it would, of course, be the publicity rather than the expenditure itself that mattered. But there is more in it than that.

The example may be taken as an illustration of the potential evils of a too unequal distribution of wealth. On the one hand we have the woman of small means, compelled to restrict her expenditure on clothes to a few pounds—perhaps a few shillings—a year, and to buy only the cheapest and most practical garments, to choose, perhaps, even between such essential things as a warm coat or proper boots, should the price of both rise beyond her small resources. On the other side, essentially opposed in interest, there is the wealthy woman who can afford to spend many hundreds of pounds on her dress. Does it really matter that, after satisfying all ordinary requirements of dress, the woman of means, having a surplus of wealth, expends it in gratifying her desire for more distinctive wear—for hand-sewn and embroidered chiffons and laces ? The chiffons and laces and the long hours spent in their embroidery do not matter if the organised work of men is productive enough to allow of this diversion of labour from the task of supplying essential commodities. But, in point of fact, luxuries are produced irrespective of that proviso, because the rich woman's surplus can always create an *effective* demand strong enough to stifle greater needs. Effective demand is desire coupled with ability to pay, and given a surplus of wealth after essential needs have been satisfied, the owner will always pay proportionately more for his luxuries. If the services of a needle-woman are normally paid at the rate of five shillings a day, the wealthy woman will pay an embroiderer ten shillings a day rather than forego the distinctive gown. And because a higher price will always be offered for the satisfaction of the desire for luxury, labour is withdrawn from essential to less essential service, the production of necessary commodities is reduced, there is less real wealth—as opposed to money or nominal wages—available for distribution, and the country as a whole is impoverished.

Inequality is Necessary and Socially Useful.

In emphasising the potentially evil effects of an unequal distribution of wealth it must be borne in mind that a certain amount of inequality must always be, and that moderate luxury consumption is beneficial and not harmful to the State. Our economic organisation and inventive power are capable of producing a surplus over and above what is required for the satisfaction of essential needs. But the value of the enjoyment of

luxury is inseparable from its moderate use. Though variety is a necessary stimulant to effort, and the judicious use of luxury production to effect this end is desirable, until essential needs are satisfied, the withdrawal of labour from this class of work for the provision of an excess of luxuries which deaden rather than stimulate endeavour is anti-social and detrimental to the national well-being.

But Unchecked Competition in an Unequal Society is Socially Harmful.

To be wealthy in the true sense, to be healthy and satisfied as a nation, it is not enough to produce. We must produce the right things, and we must see that they are properly distributed. Free competition in an unequal society does not guarantee this right production and distribution. The State has already recognised this fact and compelled the community as a whole to provide itself with proper sanitation in its cities and with a minimum of education and health and unemployment insurance. Men are not equal, and you can never have, and do not want, equality in any human society. The desire to distinguish himself from his fellows is an instinct in man as ineradicable as it is socially useful. It is as valuable an incentive to effort as the instincts of self-preservation and parental love, but while men must undoubtedly be left free to emulate one another in every sphere of life, industrial legislation should so control the effects of competition that production for the satisfaction of rational needs should not be at any disadvantage.

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DIRECT ACTION FOR POLITICAL ENDS.

THE decisions of the Nineteenth Annual Conference of the Labour Party held last month at Southport mark an important change in the policy of the Labour Party, and if they are generally adopted by the industrial section of the Labour movement they must mean either the destruction of the authority of the State and the abrogation of democratic and representative government, or the break-up of the Labour Party and the Trade Union movement. If the Labour Party and the Trade Unions have definitely decided to employ industrial methods to supplement political action then constitutional government becomes impossible.

The most important and revolutionary resolutions passed by the Southport Conference were moved and inspired by the extreme wing of the party—the I.L.P. and the B.S.P. This fact indicates that the Labour Party has, within a very short period, gravitated towards the extreme Left. We may, perhaps, see this change more particularly in the composition of the new Executive. Out of twenty-four members, including the Secretary and Treasurer, there are at least fifteen who represent the policy of the I.L.P. and kindred bodies.

Mr. Philip Snowden emphasises the change of attitude by contrasting this Conference with the one held at Bristol in 1916. Writing in the *Labour Leader* he says : " The most remarkable thing about the Conference was the great change of opinion among the delegates, expressed in the support given to the resolutions on the Peace Treaty, intervention in Russia, conscription, the blockade and direct action. The remarkable character of the change is best seen by a reference to the resolutions passed at the Labour Party Conference held at Bristol eighteen months after the outbreak of war. At that Conference resolutions were passed by overwhelming majorities supporting the Government in the prosecution of the war, approving Labour's co-operation in the recruiting campaign, confirming the Executive's decision to allow Labour M.P.'s to join the Coalition Government, and refusing to declare against secret diplomacy and the reduction of armaments as part of the Peace settlement."

The growing influence of the I.L.P. minority has been noticeable since the Nottingham Conference in June, 1918, though it was obscured temporarily by the wholesale defeat of the Pacifist candidates of the Labour Party at the General Election. To understand this curious position we must remember that the Labour Party is socialistic, and in policy and outlook it is more

international than national. It is less conscious of racial differences and national boundaries than of class distinctions. Moreover, while it relies upon the Trade Unions for funds, it is mainly dependent upon the I.L.P. for propaganda and political ideas. All its chief officials are active members of the I.L.P. During the war, owing to the unpatriotic and pro-German attitude of the I.L.P. leaders, the Labour Party came temporarily under the control of the patriotic Trade Union members of the Party. But since the Armistice this purely Trade Union section has been pushed into the background by the wirepullers of the I.L.P., who have now got the control and direction of the Party almost entirely in their hands. Mainly professional agitators and international politicians, the leaders of this party are not so much concerned to better the industrial conditions of Trade Unionists as they are to exploit the funds and the prestige of the Trade Unions for their own political ends.

This plea for direct action to supplement political action is not a *bona fide* Trade Union demand. The agitation over Russia, the blockade, conscription, conscientious objectors and the Peace Treaty, first started in the small socialistic and defeatist societies affiliated to the Labour Party. Members of these societies having secured many of the official positions in the Unions and on the Trades and Labour Councils, they have been able to foist these *political* demands upon the *industrial* organisations of the workers and to make them appear to be the demands of organised Labour.

A fact to note in this connection is that the I.L.P. is politically and numerically insignificant, it has only about 30,000 members —the B.S.P. has about 5,000—and would scarcely be heard of if it were not for the successful hold it has obtained upon the Trade Unions. Being, therefore, politically impotent, it can only carry out its political programme by obtaining the support of the Trade Unions. But here again it meets with a difficulty. If the Labour Party follows the usual and constitutional procedure of a parliamentary party, its political power must be determined by the ballot box. When the Party is overwhelmingly defeated, especially in the great industrial centres, then the immediate realisation of the aims of the I.L.P. becomes impossible. But the I.L.P. cannot afford to wait until the democracy is converted to its anti-British views. If the German comrades and the Russian Bolsheviks are to benefit from the I.L.P. support, then action must not be delayed. The necessity for immediate action has led the B.S.P. and the I.L.P. to advocate direct action. Politically, they are in a hopeless minority, so they now repudiate the democracy that

rejected them in December last, and through their relations with the Labour Party endeavour, by threats of a general strike, to compel the Government to grant demands that an overwhelming majority of electors refused to support.

Many of the leaders of this extreme movement are fully alive to the dangers of the policy they are endeavouring to force upon organised Labour. Mr. Macdonald admits that in nine cases out of ten direct action for political purposes will end in failure. Mr. Snowden is equally conscious of the risks of such a policy. But they believe that now is the opportune moment for an experiment of this kind. Mr. Macdonald believes that the present Government is so weak and craven that the threat of direct action would be sufficient to secure the political demands of the I.L.P. There is a widespread belief, fostered by Smillie, Williams, Macdonald and others, that the present Government will give way to every threat of the extremists.

A close study of this threatened industrial action has led us to the following definite conclusions :—

(1) These political demands have been formulated by defeatist societies which are in no sense industrial bodies.

(2) The threat of direct action to secure the political objects of these organisations emanates from, and is supported by, Labour candidates who were heavily defeated at the last General Election. They threatened industrial action and revolution if they were not returned to Parliament.

(3) The direct actionist case is apparently strengthened by the concessions that have already been obtained by the miners and others as a result of the threat to strike. Smillie and Williams are constantly reiterating that only by threatening the Government and the employers can the working men get any concessions whatever.

(4) Constant submission to the threats of the extreme minority is a grave mistake. It encourages the worst elements within the State and, sooner or later, we must expect very serious trouble in this section as a consequence of this policy.

(5) The Government, the employers and constitutional Trade Unionists, and all the elements of social order, must unite to defeat this politically discredited and insignificant minority. Unless we do firmly resist it there can be no national security or industrial peace and prosperity. The breaking-up of this oligarchy directed by the I.L.P. is necessary as much in the interest of organised Labour as in the interest of the State. And *now* is the time to offer determined resistance to the dictatorship of the I.L.P. The forces of order and constitutional government must be mobilised to defeat this anarchical Bolshevism to which the wirepullers of the I.L.P. have now committed the Labour Party.

BUILDING WAGES AND HOUSING.

In the last few months a significant step has been taken by the building trades. Details of the changes are to be found in the *Labour Gazette* of March and April. Their effect is to consolidate all war advances, the well-known "12½ per cent." not excepted, in new standard hourly rates for the greater part of the country. These rates range high—*e.g.*, 1s. 9d. for craftsmen in the London district and from 1d. to 4d. lower for other districts. Within a short time this readjustment must become universal in the building trades, while other trades will doubtless make it their goal.

The whole nation, which is embarking on a vast and expensive programme of building, is intimately concerned in the state of the building trades. If one class can be said to be more concerned than another it is the class that will pay the rents of the new cottages. On the financial side the public concern is not merely with the nominal cost of labour in pence per hour. High-paid labour usually makes a good return: low-paid labour, discontented, apathetic, inefficient, is proportionately expensive. The real question is whether the new London rate and the other new rates throughout the country herald a new spirit in the industry, and promise enhanced production. Time, of course, will tell. But can this issue safely be left to a hazard? Economic recovery, it is generally agreed, depends on increased productivity, and this depends in part on just and favourable conditions for labour. These conditions centre round wages. If the new building rates portend a faster and merrier pace—*e.g.*, in bricklaying—they will be the nation's gain. But if they mean just 1s. 9d. per hour and little else—and there are grounds for this view—the problem of raising the productivity of the building trades remains unsolved.

Since the advent of war-advances the men's unions have thought and fought about how to make them permanent. No one has any right to complain of this policy on the part of the men. The claim for the perpetuation of the higher rates has been based on general grounds of betterment and social dignity, which have the widest sympathy, so that when the concession is made a specific commercial *quid pro quo* is hardly to be expected. The building trade, profiting from the expected and approaching boom in construction, has led the way in rate consolidation. The immediate advantage to the men is *nil*: but they will be better able to resist future attempts at reduction.

Their more secure position, the *détente* in their wage anxieties may entail, as general factors, some improvement in production. But it would be foolish to over-rate in any trade the effect of this general factor. In the building trades it would be preposterous, for the specific conditions of work make the problem of the relation between wages and productivity peculiarly difficult.

Bricklayers are usually blamed, above other men, for "ca' canny." How much there is in this charge it would be hard to say. But there is something in it. Take, again, the attitude of the carpenters, whose determined resistance to "payment by results" in the aeroplane and other war trades has been among the chief labour phenomena of the past five years. The causes of the intransigence of these great classes of workmen are to be found in the nature and the past history of their industry. Building is subject to booms and slumps; it is speculative; it is not only seasonal but liable to interruptions from weather. In the eight working months its unemployment ratio is often low, but at most times its margin of available hands is probably exceptionally high. Building labour, in a measure, is casual. In the stagnant winter months large numbers of men are paid off. An average figure of unemployment during these months would be difficult to establish. But whether on a true average there would be ten, or twenty or thirty hours' work per week per man, a deficiency exists, and a substantial one. There is the crux—three or four months of broken time, coming round yearly and inevitably. There is much in this trade, clearly, to try the tempers and undermine the finances both of employers and of men, much that is specially difficult, from its erratic and unforeseeable character, to stabilise and standardise in any synoptic scheme or artificial system. In default of adequate wage insurance against the lean months the men have felt themselves entitled, and indeed obliged, to economise work in their own defence. Thus the carpenters, despite the assurance, while the war lasted, of all-the-year-round employment on aeroplanes, set their faces against "payment by results," dreading the use that might be made of such a precedent against them when they resumed their normal work of house-building. It goes without proof that if "payment by results" could be introduced into the building trades work would be accelerated and greatly cheapened. At present materials are very costly. All the greater need for highly productive, and that would mean high-paid, labour. The work will lend itself to payment by results. The large scope of the local programmes of building will render repetition

production in bulk very desirable, and indeed obligatory, if the various schemes are to make any claim to financial soundness. All parts ought to be standardised, in whatever material they are made, and standardisation in manufacture ought to connote payment by results. If the workmen in question, bricklayers, joiners and others, are asked—*e.g.*, by an authority under the Housing Bill—to work on "payment by results," they are likely to refuse emphatically. But if the request is not coupled, in this notoriously uncertain trade, with provision against slack times, the refusal is hardly surprising. There are three phases which should be recognised, to speak generally, in all wage arrangements: (*a*) normal time-rate; (*b*) the "swell" that "payment by results" puts on earnings and production in busy times, and (*c*) the insured wage payable in bad times. In actual practice these three phases are very inadequately recognised. No trade has worked out all three aspects, and the difficulties to be overcome, even in the easier cases, are certainly very great. The existing schemes of unemployment are a poor attempt at (*c*). Some trades, not being seasonal, or not suffering from a casualised margin, are content to combine (*a*) and (*c*) in one. Some are of such a character as to be very slightly interested in the enhancement of output by "payment by results." Some use (*b*) alone, tolerating, for solid reasons, the margin of maladjustment. But in the building trades the bad months, sometimes longer, sometimes shorter, and the short jobs, are the heart of the problem, and the automatic stabilisation, which asserts itself strongly in some other trades, is here very imperfect. June hangs by January. Piece-work will only be worked in June if the men's anxiety about January is relieved. If the public and the employers ask for piece-work or for any form, individual or group, of "payment by results," in order to cheapen and hasten construction, and if the workmen's answer is a claim for an insured winter wage, there will be a deadlock of a very stultifying kind, unless both sides combine to frame a more scientific wage scheme than any that now exists. Any diagnosis of low production which makes the unemployment benefit the crux is open to criticism. It will be said that "human nature" is responsible for "ca' canny." And so it is in part. We cannot alter human nature, but we can alter the circumstances that tempt or dispose it to narrow views and defensive obstinacy. Therefore the main question seems to be how much compensation must be added to wages during the winter months, however these may be defined. Suppose, for example, that for four months of the year the men were paid three-quarters of their

rate, though there was only half-work to be done, and that they agreed to reasonable methods of enhancing output during the eight months of working weather. Or suppose, even, that the whole deficiency were made good to them in a compensated wage. The net result for the community would probably be a gain, and a substantial one. According to some critics the bricklayers of the United States habitually lay nearly three times as many bricks as ours do in the same time. The comparison with another country is, of course, precarious, and may also be unfair. It would be fairer to compare our own bricklayers with their fathers and grandfathers, and that comparison, as experts appear to agree, is in favour of the past generations. But whatever power or pace the bricklayers may have in reserve—and this must be considerable—the abolition of restriction on output, from which the community would benefit greatly, can only be got by paying for it, and by the method, it would appear, of a compensatory wage. By this method, moreover, the masters, being obliged to pay a full wage, or thereabout, in the winter, would find their interest to lie in decasualising their labour, and one result would probably be the placing of more contracts during winter months, especially on inside or indoors work.

The imminence of building on a great scale by Government or with Government help gives a chance for securing at one stroke a fundamental condition of cheap and rapid construction, and also a basis of economic stability for the workmen. The essentials of the bargain are fairly clear—viz., something in January for something in June. The present position is unsatisfactory enough to justify drastic changes. But will the Government seize the opportunity? Dr. Addison has a chance to use his industrial experience as Minister of Munitions in paving the way for the cheap working of his Housing Bill. There is probably no other side of housing on which wise and prompt action by Government would conduce so directly to the success of the main idea as this of "payment by results" in the building trade.

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THE COTTON INDUSTRY AND ITS PROBLEMS.

THE fact that the British Cotton Industry Research Association has at last been constituted, with its centre at Manchester, is welcome news to those who believe that the future prosperity of these islands depends primarily on increased production in every branch of British industry. This organisation, which has been promised a considerable amount of Government support, aims at extending its activities over every aspect of the trade concerned in the production, use and treatment of cotton, both in the raw and in the manufactured state. Briefly, it proposes to promote at every stage and in every way, the interests of all whose lives and energies are devoted to the growth and utilisation of the cotton plant.

This Association is presumably destined to replace, and in some respects to carry on, the work of the Cotton Control Board formed by the Government at the beginning of 1918, when the policy of drift pursued during the first years of the war had brought the industry to the brink of disaster. To-day it is generally realised that some such control of the cotton crops would, if instituted in August, 1914, have materially shortened the war. It had many advocates, among them Sir Charles Macara. But divided counsels prevented drastic action being taken at that time, with the result that Germany got all the cotton she needed and Lancashire has not yet recovered from the stagnation inevitable in the case of a world-wide industry which has to import all its raw material and export 75 per cent. of its manufactures.

Though born too late, the Cotton Control Board did exercise, in the face of extreme difficulties, a stabilising effect on the cotton market, and since its abolition, just at a moment when continuity in policy was essential, violent fluctuations in the price of the raw material have brought about another crisis. It will need, therefore, all the efforts of employers and operatives combined to enable Lancashire to take speedy advantage of the demand for cotton goods coming from every quarter of the globe. The Research Association will find plenty of problems awaiting its attention, among them the problem of Japanese competition. Cotton experts are by no means unanimous as to its importance, but in view of the phenomenal development of industrial enterprise in Japan since the beginning of the war it would be extremely unwise to ignore the possibility of her

ultimately becoming a serious rival to Lancashire in the cotton markets of the Far East.

Judged by the comparative number of spindles alone, the British cotton industry would seem to have no reason for anxiety. During the ten years which preceded the war we increased the number of our spindles by some 12,000,000, a figure which in itself surpasses the total possessed by Japan, India and China counted together. And although Germany, Russia and France have been engaged in spinning cotton for nearly a century on machines supplied by Great Britain, their total number of spindles is less than 12,000,000. What chance, one might therefore ask, has Japan of ever being able to approach our Lancashire output of the manufactured product? In an optimistic article recently contributed by Sir Charles Macara to the *Textile Recorder* he thinks she has no chance, and he bases his opinion on the fact that, in view of the enormous demand for British looms and spindles to replace those destroyed in all the Allied countries, the rise of 250 per cent. in the price of English machinery which has taken place during the war is certain to be maintained, if not surpassed. He does not envisage the possibility that Japan may in the future make her own machinery. Is there any reason, however, why she should not do so? In Tokio alone the number of factories has risen in four years from 9,828 to 18,000, and in Yokohama the number had increased 88 per cent. by 1917. Until the beginning of 1918 the immense quantities of munitions of war furnished by Japan to the Allies were made in the State arsenals at Tokio and Osaka. But as these centres were unable to keep pace with the demand, a bill was passed through the Diet sanctioning the conversion of privately owned factories to the production of war material. What is to prevent some of these innumerable factories from being adapted to the manufacture of cotton looms and spindles? If, commercially speaking, the Japanese have hitherto originated nothing, they have copied almost everything. The whole industrial activity of modern Japan has been built up by the assimilation of Western methods and the imitation of European models. They are, moreover, keenly alive to the necessity of improving upon the methods of the past if the commercial advantage which the war gave them is to be preserved and extended.

Though Japan has obviously much leeway to make up before she can overtake Lancashire, she possesses two natural advantages in the struggle. The first is her proximity to China—her best cotton market—and to India. At a period in the world's history when the dearth of tonnage imposes a severe handicap

upon European trade such an advantage is enormous. And in the universal artistic sense of her people Japan possesses a second big advantage over her Western rivals. The element of beauty present in all the work of her looms compensates its inferior quality. For years this national gift of beautiful design has enabled Japan to flood the European markets with cheap articles of household utility more attractive than anything we can produce at the same price. To-day she is printing cotton cloth which is as superior in design to anything Lancashire can turn out as it is inferior in quality. As a race, we British underestimate the commercial value of beauty. Quality has been our aim, and our trade has been built up on our success in producing the best. But there are trades in which beauty has an almost equal importance, and cotton is one of them, for the consumers of our textiles are almost exclusively Orientals. Nor is it too much to say that all Orientals are more or less appreciative of that beauty of design in which the Japanese excel. We can produce fabrics which are as satisfactory in design as they are in texture, but they are invariably expensive. We do not produce beauty for the million, and it is upon the million in the Far East that Lancashire must live.

Though it may be true to-day that the finest yarn spun in Japan would not be classed above good medium in Lancashire, it would be optimistic to assume that Japan will never be able to improve the quality of her cotton goods. The problem is dependent upon the comparative skill of the operative, and upon the cost of production. It is inconceivable that the adaptive Japanese worker will not in process of time acquire the facility essential to the spinning of the finest yarn. The question of cost is more complicated, for the cheap labour available in Japan does not work out as much to the benefit of our rivals as is frequently supposed. In Japan many more operatives per loom have to be employed than are found necessary in Lancashire, a fact which goes far to neutralize the advantage of lower wages. Labour conditions are, moreover, changing in the Far East, as they are all the world over. Even in the Land of the Rising Sun there has been, for the past two or three years, an increasing amount of industrial unrest, due largely to the rise in the price of the staple food of the people. In *Le Japan Economique, Politique et Sociale,* H. Dumolard, a Frenchman familiar with Japan, draws attention to the disintegration which the industrial development of that country has brought about in the feudal construction of its society. The war has enormously widened the rift between the rich and the poor. The war profiteers of Japan, if not more numerous than elsewhere, are more remarkable

in a country where the evidences of great wealth have been hitherto almost entirely lacking, and where simplicity of life was characteristic of all classes. For the first time in the history of Japan the suddenly enriched middle class has risen to a position of social and political power—power which, in the absence of anything corresponding to an excess profits tax, is flaunted in the most ostentatious and aggressive manner. No awakening of the social conscience has coincided with the sensational acquisition of wealth on the part of the *narikin*, as the profiteer is called. On the contrary, the capitalists, who frequently offer dinners costing from £20 to £40 a head to their friends, show themselves, with few exceptions, hostile to any reclamations on the part of their workers for higher wages and decent conditions. This attitude is all the more provocative in view of the poverty and misery in which the bulk of the population exists. The number employed in industry has risen from about 500,000 to over 2,000,000, of which about one-quarter are women. Although their pretensions are infinitesimal in comparison with those of the European operative there is little doubt that the cheap labour of Japan is bound to become dearer in the near future.

The influence of climate on the spinning and weaving of cotton is now discounted by the invention of humidifying plant. In the future, therefore, climate will affect the industry as regards the demand not as regards the supply. Japan's 2,000,000 spindles have to supply her home market as well as her export trade. The same statement is also true of the United States, which is another of Great Britain's competitors for the world's cotton trade. A short time ago the press reported the formation in New York of a syndicate with a capital of twenty millions sterling for the purpose of dumping cotton goods in this country. At the present time, however, the United States possesses only about half as many spindles as Lancashire. There is, moreover, a much larger demand for cotton goods in America than there is in England. Statistics show that before the war the United States only exported about five per cent. of the production of her 35,000,000 spindles. That percentage she is now endeavouring to increase, especially in the direction of South America, where unusual facilities are being offered to induce custom.

Manchester has recently entertained a delegation representative of the cotton industry in the United States, whose members are making a tour round Europe preparatory to the forthcoming International Cotton Conference which is to take place at New Orleans and at which Lancashire interests will be well represented. The American mission has many schemes in prospect,

one of which is designed to prevent any sensational rise in prices through the periodical failure of the cotton crop. It is proposed to establish a system whereby large reserves could be accumulated. As cotton is a fabric which does not deteriorate quickly, there is no reason why this remedy against shortage should not be tried. Another of their projects, less defensible economically, is to reduce the area under cultivation, the argument being that with a large and increasing demand, as much profit can be made out of a small crop at high prices as out of a large crop at low prices. Apart from the immorality of such methods, the effect of them might in the long run recoil upon their inventors. There are immense areas in the tropics, notably in South America, where cotton of excellent quality can be grown, and as the world will probably be short of cotton goods for many years to come, a restriction of the United States plantations could scarcely fail to stimulate cultivation in other parts of that continent and elsewhere.

As in Japan, the United States cotton industry has hitherto enjoyed the benefit of abundant cheap labour, but that benefit is becoming more and more a thing of the past. During the war the American negro has been employed by the Government at a wage ten times higher than any he ever earned in the cotton fields, and he is not likely to return to the old rates. But American rates for both white and coloured labour will still compare favourably with the wages the Lancashire mills will have in future to pay.

In the article above-mentioned Sir Charles Macara disputes the accuracy of a statement made in the House of Commons last February by a Labour Leader, who declared that although the cotton industry had been on short time, the average profits were as high as 45 per cent. A calculation based on figures which show a return on all the capital employed in the industry does not, in his opinion, indicate an average profit of more than 10 per cent. He would like to see a scheme, which was formulated and put into operation many years ago in Manchester, for the regulation of wages according to the state of the trade, extended, and applied to all our staple industries. It provides for a record to be made twice a week by experts, who are not concerned in the spinning of cotton, which enables first the gross, and afterwards the net profit to be established, after deduction of expenses. "If at the outbreak of war," Sir Charles Macara writes, "it had been adopted under the auspices of the Industrial Council, representing both Capital and Labour, which the Government appointed in 1911, but never used during the war, although a similar body is now being appointed, it

would, by the provision of full information as to the return on the capital employed, have shown the division of the profits of an industry between those who supplied the capital and those who contributed their labour. It would also have shown, during this unprecedented crisis, how much of the return on capital was paid away in ordinary taxation and in excess profits. It would have had the effect of preventing profiteering, and would have met the just claims of the workers for increased payment due to the enhanced cost of living; indeed, to a great extent, industrial unrest might have been eliminated by a provision of statistics which would have revealed the real position in every industry to which the scheme applied."

We agree that the keeping of such records and their circulation among the workers would further the interests of industrial peace. But opposition to this policy comes, not from the Government, but from the individual capitalist. Secret diplomacy is quite as much a vice of high commerce as it is of high politics, and leads just as surely to war in one sphere as it does in the other.

Neither on the question of co-operation between Capital and Labour, nor upon the wider problem of international competition, does Lancashire intend to be caught napping. A mission composed of cotton experts appointed by the Manchester Chamber of Commerce—and which has since received Government sanction—will shortly proceed to the Far East to study the latter problem on the spot. It would be well if this spirit of inquiry and this recognition of the changed conditions brought about by the war were more characteristic than it is of British industry as a whole.

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VIEWS OF THE MINORITY PRESS.

THE resolution of the Labour Party Conference "to consult the Parliamentary Committee of the Trades Union Congress with a view to effective action being taken" to enforce the demands of the Conference "*by the unreserved use of their political and industrial power*" has been the source of undisguised joy and satisfaction to the Minority Press, and has quite overshadowed the signing of Peace as a topic of interest.

The *Daily Herald* (June 28th) hopes that we shall in the future hear no more of the Capitalist cry that "the demand for direct action comes only from a few unrepresentative extremists—the rank and file are on the other side," for now there is no doubt "which side the rank and file are on. Will the Capitalists and reactionaries take heed?"

The *Socialist* (July 3rd) appreciates the raising of the issue of Direct Action versus Parliamentarism "not because it vindicates our party policy, but because it throws into relief the impasse into which the policy of moderation and constitutionalism has driven our opportunists and reformers." The writer describes the decision of the Conference as "the harbinger of the day when the working class will awake, break down the barriers which divide it to-day; and by uniting its political, industrial, and social strength, assume the control of its own destiny by destroying all forms of class domination."

The *Call* considers that the Labour Party has made a distinct step forward, but points out that if the resolution is to be carried into effect it will mean continued and increased activity. British Labour must not content itself with mere "demonstrations," but must get into line with its fellows in France and Italy, and "show they mean business by a general stoppage of work."

The *Labour Leader* (June 26th) deals with the Conference in its usual ponderous style, and is inclined to treat the Labour Party as an erring but repentant child. The leading article approves of the resolutions on the Peace Treaty, Russia, and the Blockade, as being in line with the policy of International Socialism, but cannot resist pointing out "how different the present state of Europe and the world might have been if the British Labour Party had from the beginning of the war taken the International view, which now dominates its policy. . . .
A Labour Party cannot in a great national crisis abandon its distinctive principles and wholeheartedly associate itself with

political capitalist parties without suffering loss of prestige and influence . . . . the working classes cannot be expected at the bidding of the Labour leaders to understand why they should, at a moment's notice, transfer their allegiance from a Government which for four years they have been told by Labour leaders was worthy of their support because it was pursuing a commendable policy. But if the Labour Party will remain faithful to the policy upon international and domestic questions formulated at the Southport Conference, the ultimate conversion of the working classes to these principles is certain."

Mr. Ramsay MacDonald writes in *Forward*, "with the business of the Conference I am fully satisfied. The Conference struck the International note, its opposition to Allied interference in Russia was decisive, it gave politicians the requisite warning that, if they played tricks with Democracy Labour held a weapon in reserve which it would not hesitate to use. . . . a strike to prevent the destruction of Socialist Republics is just as legitimate as one to prevent the imposition of the ten-hour-day by Act of Parliament."

The terms of the Peace Treaty are unanimously condemned by the Minority Press, but the most striking example of the mentality of the contributors to this class of publication appears under the name of Mr. Charles Trevelyan in the *Daily Herald*, June 3rd. Mr. Trevelyan expresses the hope that the Labour Movement will decline to participate in the Peace Celebrations in the event of the terms being forced upon Germany by the Allies. But, since the mere abstention of some three million workers would not prevent the celebrations, he proposes that " the conflict of the immediate future can be dramatically begun on the day of the Peace celebrations." This should take the form of a declaration by the Leaders of the Labour Party " that the first official act of a Labour Government would be to denounce the Peace Treaty as void as far as Great Britain is concerned." The result would be :—

" (1) To make it unmistakably clear that the Peace Treaty was the act of a faction, and not the nation.

" (2) To publish to all Europe the fact that there was no finality in the attitude of Great Britain, and that the workers of Germany and the populations enslaved by the peace might look forward to a real era of justice and reconciliation.

" (3) To warn our Allies, who are counting on our fleet and conscript army, that long before fifteen years are out the French and Poles and Italians will have to police their serf populations without the aid of free Britain.

" (4) To put the Labour Party in the unmistakable position

of being the recognised and aggressive opponent of the new British militarism. For under such a challenge the silence of the other parties would mean their acceptance of the Peace Treaty."

Mr. Trevelyan further points out that while there is not one individual man who could thus speak for the Labour Party, "a dozen Labour leaders, some of whose names would be indispensable for a Labour Cabinet, could declare that in their eyes the peace had no validity, and their declaration could be followed and sanctioned by a resolution of the Congress of the Labour Party."

The *Call* publishes an "Appeal to British Labour," by Frank Tanner, in which he urges the workers to "wave no flags" in celebration of peace. "Fellow-members of the working class! There can be no real peace in the world that is dominated by capitalism and wage-slavery. The war in Russia and Hungary is the war between the old order and the new, which sooner or later must be fought to a finish in every land where there is capital to exploit and labour to be exploited. When that is carried through to a successful issue and the cosmopolitan gang of plunderers are finally down and out, then will be the time to celebrate peace, but not before."

E. D. Morel, writing in the *Labour Leader*, June 26th, declares that "a peace of violence has been imposed upon the German people. It is an outrage upon them, but not only upon them—it is an outrage upon all humanity. It is an outrage upon the dead. A betrayal so colossal, a breach of faith so flagrant, is unmatched in the history of Governments."

The leading article in the same issue states that "a 'peace' of this character will no more secure and maintain peace than treaties in the past have done," it will not last because "it has no moral force behind it. The German people are no more bound in honour to observe it than a man is bound to carry out a promise wrung from him with a pistol at his head. . . . It has crushed the German Republic for the moment. The framers of this 'Treaty' believe for ever. But the autocrats in Paris have sealed their own doom and that of militarism. They have declared war on democracy."

The comment of the *Workers' Dreadnought* upon the signing of peace is concise and typical of the attitude of this paper. In the issue of July 5th Miss Pankhurst says: "Peace has been signed, but there is no peace; the International Civil War goes on, and we Communists pledge ourselves to take our share in the struggle until the end."

The *Communist* (June–July) reports progress of the Com-

munist League all over England, Scotland and Wales. New branches are stated to be in formation, and existing branches are reported to be in a flourishing condition. W. H. Mainwaring, of the South Wales Miners' Unofficial Reform Committee, writes to the Editor informing him that he has started the Treherbert branch of the League most successfully, and stated that the local committee is determined to admit no one to membership who is not a " direct actionist."

Arthur McManus, in the *Socialist*, July 3rd, writes that to anyone versed in economics or sociology a revolution is absolutely necessary before Socialism can be established, therefore " our road is clear. . . . Revolt is the food the working class army thrives on, and we should stimulate discontent, foment revolt, fan the flames of strife against capitalism, transform every agitation into a challenge to capitalism—along these lines are revolutionary situations created. This way lies the hope of working-class emancipation, lies success. . . . The nature of the issue round which you fight will beget the machinery of its accomplishment, and once secure in economic freedom you need have no worry about Parliament. The new social relations will determine the superstructure of the new society, and a new code of morality, a new ethics, a new psychology will be born to which you can safely leave the conduct of the future. YOUR TASK IS TO FIGHT. GET ON WITH IT ! ! ! "

The *Worker* (July 5th), in expressing its great disappointment in the Labour Party Conference, urges the workers to turn their eyes from the Labour Party to Russia, where revolution has been accomplished. " Soviets are the natural outcome of the shop-stewards and workshop committee movement. Come together on the industrial field, organise your workshop committee, give it a class outlook, and behind it marshal your full industrial might. . . . Wage the class war incessantly in the workshop, carry it with you into your social life, and the experience you gain from your workshop committees will help you in building up your local Soviets. But don't build up your hopes on the revolution being a bloodless one ; the capitalist class won't give up without a struggle. . . . Build up your workshop committees then, and preach the class war in the building ; seize every opportunity that presents itself to dislocate the wheels of Capitalism, and work and fight for the revolution. Capitalism must go, and you must be the ones to make it go. The Social Revolution must be triumphant. . . . WORKERS, UNITE."

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FOOD FOR THOUGHT.

Now that the great European war is officially at an end it behoves us to keep a careful watch on happenings abroad. With the gradual withdrawal of our troops from the continent we cannot afford to relapse into that self-complacent insularity which prides itself on ignorance of what our neighbours are doing. This is particularly the case with regard to questions of international trade and international labour. The defeat of Germany may have unexpected results which can neither be foreseen nor prevented, but we shall be very shortsighted if we fail to recognise and provide against the certainty that for many years to come our late enemies, thwarted in one direction, will work their hardest to strike back in others. Competition in trade and industry, always keen between the two nations, will be sharpened by Germany's compelling need and embittered by her desire for retaliation, and we have learnt enough of her methods to know that she is not likely to be fastidious in the weapons she employs. Can anybody doubt that she will do her utmost to foster industrial unrest in this country, and is anybody so blind as to be in doubt as to the methods and agents she will exploit to our detriment ?

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The British Empire Producers' Organisation did well to draw the Prime Minister's attention to the proceedings of the Coal Commission recently appointed by the German Government. No more unfortunate contrast can be imagined than that between the theatrical stage-management of the British entertainment and the serious and impartial enquiry of the German Commission. The former exhibited all the extravagances of sectional jealousy to the disadvantage of the national interest —the latter " cut the cackle " and came " to the hosses." The extraordinary part of the business is that no reference was made to the German enquiry in the course of the proceedings at Westminster. Whether this was due to accident or design is outside our knowledge, but probably we shall not stray far from the truth if we assume that this reticence was attributable to ignorance on the one side and policy on the other ; for whereas, throughout the Commission, there was a superabundance of special pleading on behalf of the miners and something of a half-hearted defence put up by the owners, the larger question of what is ultimately the best course for the nation as a whole may be said to have gone by default.

But it is not only to Germany that we must look for competition—there is little altruism in international business, and our old friends as well as our late enemies are fully alive to the necessity for hustle, and have no intention of standing easy whilst others monopolise the spoils. Our commercial and industrial supremacy, which was built up largely owing to the fact that we were at peace at home and abroad at a time when our neighbours were preoccupied with internal or foreign distractions, are threatened as never before in all our history. Two things are necessary for salvation. These two things are hard work and intelligent direction. Neither avails in the absence of the other, and without them the standard of living for all classes must decline.

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" Industries cannot all be favoured by subsidising each other . . . and the project of making everyone well off by the process of writing up the value of the services rendered by everyone to everyone else is just as illusory as the project of making everyone the recipient of the proceeds of the taxation of everyone."—Mr. Edwin Cannan, in *The Times*.

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The resignation of Sir Arthur Steel-Maitland will prove a blessing in disguise if his protest against the inefficiency engendered by inter-departmental jealousy achieves its object. It is not too much to say that half the energy of which individual departments are capable is dispersed or nullified by avoidable friction. There is pressing need for an active and independent Department of Overseas Trade, and if the traditions of the Foreign Office and the Board of Trade block the road to efficiency the Cabinet ought not to hesitate in taking the necessary measures, however drastic, to terminate a situation which, if it persists, will make national reconstruction abortive.

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Nobody seems to have any coherent explanation to offer with regard to the future Trade policy of Great Britain and it seems to be nobody's business to think out plans for the rehabilitation of our Export Trade. The old map of Europe has been reconstituted out of all knowledge, and the new and complex problems which await us will, of a certainty, never be solved by reverting to the sterile controversy which centred round the question of Free Trade versus Tariff Reform. Yet there are many politicians, both professional and amateur, who are still unable to approach the subject of foreign trade with an open mind for fear lest they should thereby contravene the

orthodox principles of the fiscal policy to which they declared their attachment in the days before the Flood, when the world was half asleep and nothing mattered very much one way or the other.

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Who can say, for example, what steps are being taken to organise our future commercial relations with Czecho-Slovakia, which has been created as an independent republic with the help of the Allies in general and Great Britain in particular? This young State is faced with the obligation of shouldering a considerable part of the Austrian war indemnity, which she can only do if her internal industrial situation is established on a firm basis. Before she can start manufacturing she must import raw material either from Great Britain or elsewhere. For such raw material she is willing to pay by sending us her own natural products, mainly hops and glass. We cannot grow more than a fraction of the hops required for our brewing industry, and our glass manufacturers will not produce the article demanded by the electrical industry. But the import of these goods into Great Britain is now forbidden absolutely so far as hops are concerned and much restricted in respect of glass. Therefore we have to go short of the things we need and Czecho-Slovakia can neither rebuild her industries nor import British goods. This means hampering the trade of this country, penalising loyal allies, and enabling Germany to force her goods into markets from which she might easily and justly be excluded.

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It would be unwise for those responsible for the safety of the State to minimise the importance of the recent extremist victory on the question of direct action for the achievement of political ends at the Labour Party Conference. But we must remember that the voting was conducted on the usual card system, which places a "block" of 600,000 in the hands of Robert Smillie alone, and the result, therefore, cannot be regarded as an indication of any change in the attitude of the mass of working men. We contest *The Daily Herald's* assumption that "There is no doubt now as to which side the rank and file are on," but we welcome its warning cry, and sincerely hope that those entrusted with the higher offices of State will not continue to delude themselves with the belief that all is well so long as the moderates are numerically superior to the extremists.

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Mr. Clynes delivered his verdict on the justice and wisdom of regarding such resolutions as the expression of the will of

the rank and file nearly a month ago when, writing in *The Observer* on the abuse of the strike weapon, he declared : " There are a few men of some standing and influence in Labour circles who regard themselves as the specially authorised spokesmen of what is termed the rank and file. They can settle in a few hours to their own satisfaction what the rank and file may desire to do on almost any subject whatever. Of course, the rank and file are never consulted by them, though efforts are often made to lead masses of men by a pretence that millions of workers are thinking in one way, and desire to use the method of the strike to give effect to some political aspiration."

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The Daily Herald characterises the " Victory Loan " as " unstatesmanlike " and " unbusinesslike." We are more inclined to apply the criticism to those responsible for advertising the loan in the columns of a mischievous paper which never fails to abuse and condemn every action undertaken by the State. From the commercial point of view it is certainly not good business ; and it is not good statesmanship to aid the finances of an organ run with the avowed purpose of disrupting the State.

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On the other hand, it is surely neither good cricket nor good policy for the same paper to display a four-column advertisement of the loan and publish, on another page of the same issue, a scathing diatribe in which the efficiency and honesty of this " device of a Capitalistic Government " are brought into question. If this method of raising money for the maintenance of the State is wrong, it cannot be right to tempt the reader with a display of the attractive details of the Loan. And is it fair to accept a substantial sum for a specific purchase, and then do one's best to annul the value of the thing sold ?

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" Much philosophy is wasted to-day in proving that Labour unrest is due to all kinds of general scientific laws ; but it is desirable to dispose of ordinary explanations of evident facts before resorting to obscure sociological theories. If, just previous to the destruction by fire of certain farm buildings and stacks, men had been seen sprinkling oil about the premises, the ordinary man would attach much more importance to the relations of the two facts than to any quantity of meteorological statistics about the dry weather having been favourable to a conflagration."—W. McDermott, in *An Offensive Against Revolution.*

In an interesting lecture on " National Councils and their Possibilities," Mr. T. B. Johnson, speaking at the Manchester College of Technology, made two particularly noteworthy statements. The Council for the Pottery Industry, he informs us, is unique in that it gives explicit assent to the principle of disclosing the average wages, and profits on the turnover. The adoption of this policy was largely the result of a Commission of Enquiry, instituted by the American Government on the question of the effect of British competition on American manufactures. This Commission established the fact that the net earnings in the English pottery trade were only one-half of those earned by American, German and Austrian competitors. Including net earnings, interest, depreciation and profits, they amounted to 5.95 per cent. on the turnover.

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This frank disclosure of the financial position in any given trade is the best way of teaching the operatives to appreciate the part they play in industry, of limiting their demands in it, and of safeguarding its future. Suspicion is admitted to be one of the root causes of industrial unrest ; but suspicion can only breed in an atmosphere of ignorance. If the division of the product of any industry is equitable, the publication of impartial evidence of this sort can but do good. If it is inequitable, surely the time has come for making a clean breast of past errors. The future of industry is as much concerned with the good-will of labour, as the future of labour is dependent on the co-operation of capital.

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When an industrial concern declares a handsome dividend it goes without saying that the shareholders are well pleased, but the extent of their elation is not infrequently the measure of the chagrin felt by the workers who, naturally enough, look upon themselves as the prime authors of the realised profits. In general the workers recognise that capital and organising ability are entitled to a fair return, but they scrutinise, with some acerbity, figures that seem to indicate excessive reward for the shareholding community. The profit made on an industrial transaction is often so small that no reasonable person would object to it, but when the transaction is many times repeated—*i.e.*, when the turnover is sufficiently brisk—a figure emerges at the end of the year which gives quite a false impression to the critic who holds arbitrary views as to what constitutes a legitimate rate of interest for the use of capital. To state an imaginary case as a simple example, let us suppose that a

certain article costs, for raw material, wages, and overhead charges, half a crown, and sells for two-and-sixpence-halfpenny. there will be a profit of some one and a half per cent. on the operation. Nobody would cavil at such a percentage, but if the series of transactions is repeated often enough in the year the annual profit realised may reach a figure that may well appear excessive to those who are uninformed as to how it is arrived at. Many firms pay out in wages during the year a sum which exceeds the total amount of capital invested in the business. Obviously this cannot be done under competitive conditions unless the capital is turned over again and again, and it is precisely in the exercise of this function that organising ability finds its *métier* and earns its reward. Industrial unrest culminating in " direct action " may achieve its immediate object and secure an increase in the rate of wages, but there is always the risk that its aftermath will react unfavourably upon the future prospects of the industry concerned and result in a loss of the increased share of wealth that would otherwise accrue to labour.

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Long views have never been popular, and they are particularly at a discount just now, but it is impossible to expect working men to look at distant shores when they never get a chance of using a telescope. No doubt there are difficulties in the way, but we are convinced that much of the suspicion would be removed if the captains of industry would take the trouble to initiate their crews into some of the mysteries of their craft. For a start they might do worse than publish an explanatory chart of the financial position so far as it relates to the shares taken respectively by Labour and Capital.

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"There are three enemies to be conquered --
Sedition, Idleness and Waste."

---*The Outlook.*

INDUSTRIAL PEACE

CONTENTS

Profits and Publicity

Practical Economics

Democracy and Higher Education

State Control and the Cost of Production

Coal Mining.—I.

The International

Views of the Minority Press

Food for Thought



INDUSTRIAL PEACE

PROFITS AND PUBLICITY.

THE organisation of modern economic society is based upon the principle which Dr. Alfred Marshall has called economic freedom. The essence of economic freedom is that the choice of a career is left to the individual. It does not necessarily mean industrial competition, though it does imply personal competition. It includes freedom of contract and association within wide limits, and by means of association competitive units may contract themselves and each other out of competition. But although some industries are inherently competitive, and in others which were once competitive monopolistic combinations are now being formed at a disquieting rate, the defence usually offered of the system of economic freedom is based upon its assumed identity with industrial rivalry. That defence is that the force of competition will serve the social ends of industry more effectively than any other regulating force which has yet been discovered. Firms are actuated by the motive of private gain. Private gain is temporarily increased by the introduction of better methods than those employed by rivals. But ultimately those rivals will be compelled to follow suit if they are to preserve their industrial existence. When all—or even the majority—have improved their methods, and the lowest cost becomes the normal cost, prices fall and the consumers enjoy the benefit of technological and commercial progress. A boom in a particular trade may enable most or all of the firms therein to enjoy exceptional profits, apart from their individual efficiencies as producing units; but if the new demand shows signs of permanence new firms enter the trade, the price boom disappears, and the community is again effectively served. "Excess" profits under peace conditions are transient. They are the goal of firms, but an elusive goal which few actually reach. They are the real dynamic force in industry, compelling industrial progress and the rapid transference of the benefit to the community.

Such, in briefest outline, is the competitive theory, which is based upon the assumption of peace and is not to be judged by the abnormal conditions created by the war. But it ignores the disturbing influence of currency changes. For nearly two decades before the outbreak of war the South African gold mines unloaded vast amounts of gold upon the world, most of which was employed as currency, or became the basis of a still larger volume of credit currency. The inevitable consequence was a rise in prices proportionate to this expansion. A con-

tinuous upward movement of prices reacts unfavourably upon labour, for wages usually follow at a distance. The " time-lag " enables most industrial firms to enjoy excess profits. Hence the rapidity with which fortunes were made before the war, the growing number of such fortunes, and the orgy of extravagance which no one failed to observe. The consequence was " labour unrest " and a ready ear for those who blamed the competitive system and were eager for its abolition.

The competitive theory implies the possibility of controlling price changes due to currency expansion or contraction, and the reduction, if not, indeed, the elimination of the " time-lag " where such changes cannot be prevented. These secured, it becomes enormously more satisfying. The new methods, if commonly adopted, will then be followed by reductions in costs and prices, and without any change in rates of remuneration, workers, like the consumers, will benefit through the increase in the purchasing value of the sovereign. But if the new methods are to be copied they must be made known.

It has been said with much truth that competition is based upon secrecy. Not long ago the writer visited a number of establishments in a badly organised though well-known industry, and was accompanied by one of the competing manufacturers. Although more than once invited to do so, the latter never went beyond the office, as it was not in keeping with tradition to investigate the methods of a rival. The invitations marked the new spirit; the refusal indicated an unwillingness to utilise an opportunity for individual gain. Both were encouraging. The " professionalising " of industry and commerce, to the degree that this is possible, is an urgent need.

Even more urgent is the need for greater publicity in respect of profits. " Excess " profits are the ultimate force regenerating the distribution of industrial effort. It can only be effective if and when these are known to exist. If the industry is " sound-proof " no call reaches the outside world to which response may be made. Public companies publish dividends, but these do not always represent the realised profits for the year. Not merely stockholders, but even ordinary shareholders, whose shares represent speculative investments, prefer regular to highly fluctuating returns, with the result that joint stock companies set aside reserves which are employed partly in stabilising dividends. During trade depressions, when wages fall and employment becomes less regular, and in some cases ceases, the reserves are drawn upon to supplement realised profits and enable shareholders to be paid relatively high dividends. Profits thus appear less vulnerable than wages.

It is frequently the case that actually realised profits suffer less than wages during depression. When trade is brisk realised

profits are not so high as prices seem to indicate. For the cost of materials is also high; the administration is apt to be less economical, if not extravagant, and many pence are sacrificed for pounds within reach. Moreover, new developments take place and improved methods are introduced, the benefits of which may not be realised before the boom has given way to a slump. During the depression these benefits materialise and manifest themselves in a reduction of cost. Materials are cheaper, and internal extravagance gives way to economical, even parsimonious, administration. Pence are now worth saving and go to swell the dividends.

But the chief stabilising agent is the reserve fund, of which people other than workers frequently know but little, and workers usually know less. The consequence is threefold. In the first place "excess" profits are not the reliable magnet to enterprise which the competitive theory assumes them to be. Declared dividends are apt to be misleading as an index of the course of profits from one year to another. In the second place the workers are apt to become suspicious, and their suspicions are frequently converted into burning indignation by the recital of selected instances by agitators, who convey the impression that stock-watering is the normal practice of the average firm.

It is true that stock is sometimes diluted with "water." If divisible profits are very high, and are likely to remain high relatively to the capital sunk in the enterprise, a part of the actual and prospective excess may be "capitalised" by the issue of bonus shares to existing shareholders, so that the same total profit is expressed in a lower rate of dividend upon the large nominal capital. This is a favourite pastime of many American trusts which issue debenture stock to the amount of the tangible assets, and ordinary shares representing the capital value of the actual and anticipated excess profits due to trustification. The discrepancy in such cases between the nominal capital and the actual capital sunk in the business lessens the reliableness of declared dividends as a guide for the distribution of future industrial effort. Moreover, workpeople are fed with the fiction that in all cases in which bonus shares are issued the stock is being watered. Such is not the case. The reserve is a general fund used for more than one purpose, perhaps the chief being that of development. If extensions are financed from this fund rather than by the issue of fresh stocks or shares, the capital actually invested may greatly exceed the nominal capital upon which dividends are declared. The latter are therefore misleading in that they exaggerate the profitableness of the enterprise. By increasing the nominal capital and issuing bonus shares the company, in such a case, would not be watering

stock, but merely issuing shares against capital subscribed by shareholders through " deduction at the source," and actually invested in the business. These facts should be known: nor should those cases be ignored where companies write down their capital in order that their relatively low profits may be expressed as a dividend rate which approximates fairly closely to the average for the industry. Moreover, the dividend rate is apt to be misleading unless it is known what proportion of the capital is obtained in the form of debenture or other secured stock bearing a fixed rate of interest. The larger the proportion obtained in this form, the higher will be the rate of dividend upon ordinary shares in which a given amount of profit will be expressed.

The third result of drawing a veil over the reserve is the intensification of the hostility of workpeople to profit-sharing schemes. It is commonly believed that if profits are high, firms increase the amounts paid to reserve and in this way reduce the amount to be divided among the workmen. Nor are the latter impressed by the reply that a large reserve strengthens the financial position of the firm and increases its competitive strength, thereby improving its chance of making profits in the future. The more impatient are mainly interested in their share in the present profits, while others believe that the reserve will only benefit the holders of capital. More than one scheme has been wrecked by the failure to educate the participating workers in the nature and purposes of reserves.

It thus seems clear that if competition is to be made really effective, and to secure the best results to the consuming public, the actual results of individual enterprise should be published in greater detail, and more widely than is the case at present. And if the faith of workers in the system of economic freedom is to be restored they must be taken into confidence and informed of the results of the industrial efforts in which they have shared. A Whitley Council which does not realise the importance of publicity cannot hope to improve upon the record of the Conciliation Boards of the past. But it is not sufficient merely to specify the average returns of an industry represented by a national Council. These should be supplemented by information relating to the activities—and their results—of individual enterprises. The nature and extent of this information will vary between industries, and between enterprises within an industry. But it is surely not too much to suggest that the workers' representative upon works' committees should be regarded as entitled to the information which is supplied in the ordinary way to shareholders. It is in the workshop rather than in the council chamber that confidence has been shaken and now requires to be restored.

PRACTICAL ECONOMICS.—V.

Production is a Process of Distribution

We have shown that the exchange value (*i.e.*, price) of production is no indication of its value in use to a community in general, and that the present employment of the terms wealth and production without regard to their distribution leads to erroneous and harmful conclusions. In economics, production is the process whereby matter is readjusted to produce utility. Because it is essentially the *service* that enables us to enjoy or use *goods* of all kinds, it follows that it is a process of distribution rather than of creation. Man neither makes nor destroys; it is his work to re-arrange so as to provide goods in consumable form. It follows, equally, that the processes of government and industry cannot be divided into productive and non-productive groups. All *necessary* service is productive. The services of the farmer, the market dealer, the shop salesman, the kitchen maid and the cook are all essential links in the production of potatoes for the consumption of the city worker.

The Division of the National Income

We come now to a consideration of what are known as the agents of production, and of the forces which determine how each attains its claim on the national dividend. And here it may be instructive to call attention to the interchangeable use of the terms National Income and National Dividend. It is true that the whole of the national income is divided among the agents of production. But the gross income of a nation is not available for the private enjoyment of those who contribute to its production, and much error and dissatisfaction might be avoided if, in arguments on the distribution of wealth, we used the term "national dividend" to signify that portion of the total income which remains after making deductions necessary for the upkeep of the country and its industries as a whole.

If we accustomed ourselves to distinguish between the national income as the gross return and the national dividend as the amount available for personal expenditure we should be more alive to the errors of extremist deductions from more or less accurate arithmetical calculations, and to realise more readily that, however fairly we may readjust distribution, the lack of actual dividend will have to be made good before the individual shares will satisfy all aspirations.

The Requirements of Productive Effort

In an elementary work on economics,* Sir Henry Penson classifies the requirements of productive effort under two heads, thus :—

(a) *Forms of Human Activity.*—(1) Labour ; (2) organisation ; (3) enterprise.

(b) *External Aids.*—(4) Gifts of Nature ; (5) capital.

(1) Before a man can satisfy his economic wants he must make an effort—he must use his powers of mind and body—Labour.

(2) Where the effort is made by an industrial group that effort must be organised if it is to obtain satisfactory results—Organisation.

(3) To start and to carry on a business undertaking involves risk. It may result in profit or in loss. This risk must be taken by some person or persons—Enterprise.

(4) Man in his effort utilises natural objects and natural forces—Gifts of Nature.

(5) Most forms of effort require (a) tools or machines, and (b) materials. Moreover, production takes time, and until the work is completed and sold those taking part in it are being supported by results of past labour—Capital.

A Definition of Labour

Labour has been defined as *the effort productive of exchangeable goods*, but though such a definition may be unimpeachable from the scientist's point of view, the term as used in modern economics has a somewhat narrower significance. An engineering employer recently remarked that the working man of to-day seemed unable to grasp the fact that he could not have the whole proceeds of his labour because large and costly works and clerical staffs were indispensable to the conduct of modern industry, and had to be supported by it. The manner in which he expressed himself is significant of the wide-spread confusion of thought on this subject of labour—a confusion to which the Marxian doctrinaire owes three-quarters of his following. What the employer really meant was that the manual worker of to-day failed to grasp that his labour in the workshop did not alone produce anything like the proceeds arising from the sale of the year's actual production, and that he could not with impunity take more than his own share. We have seen that, in modern industry, the satisfaction of wants entails exchange and dis-

**The Economics of Everyday Life*, by T. H. Penson, M.A. Cambridge University Press.

tribution, and these new facts give rise to two additional requirements which, although forms of personal activity, are not covered by the economist's ordinary use of the word labour. These are organisation of industrial groups, and enterprise or taking the risk of production in advance for an uncertain market.

But in any discussion of the relative shares of land, labour and capital in production and distribution, the word Labour is commonly used in turn to mean the manual labourer, or the wage-earner, or, in the Marxian sense, the sole creative force of the industrial world, opposed to and exploited by Capital. The above classification makes it quite clear that the term Labour does not cover all effort productive of exchangeable goods, but only that part of it which is independent of organisation or risk-taking. Thus, in economics, by Labour we must understand the work of all wage-earners (and of many salaried workers), together with that part of the work of independent workers—doctors, lawyers and skilled men who themselves make what is ordered by their customers—which can be separated from organisation and enterprise.

Distinctive Characteristics of Labour

To understand clearly what are really the inexorable limits of Labour's claim we must know exactly what are its distinctive characteristics and its effect upon the volume of the national income. Labour differs from Land and Capital in two important respects—its possession is inseparable from the owner and it cannot be accumulated or saved; that is to say, it is inseparable from time, which consumes it in its course. These two facts influence strongly the conditions of the market in which Labour is sold, and will be dealt with under Wages and Trade Unions.

The Demand for Labour comes from Labour

A third and all-important peculiarity is that, as regards labour, demand and supply are one and the same. The more labour you supply the more you demand. The greater the number of workers, the greater the consumption of labour. Every unit of labour supplied consumes a corresponding unit. Labour both supplies and consumes its own product, and ultimately labour can only be paid by labour. Failure to understand this all-important fact, that the more workers you have, the more you may, because the only effective demand for labour comes from labour, is responsible for one of the costliest errors in economic policy.

Idleness and Restrictions of Output Create Worklessness

It is widely believed, and not only in trade union circles, that the amount of work to be done in the world is strictly limited, and that one man's gain in securing work may be another's loss. Therefore, it is argued, those who can afford not to work should refrain from competing with those who cannot, and those who do work should limit their efforts so as to absorb as large a number of workers as possible.

Take first the case of the non-worker. A man abstains from digging his own garden because it is " good for labour." What would be the effect of labour and production if he performed this service for himself ? He would have the garden ; the money saved in gardener's wages could be devoted to increasing the demand for other sorts of labour ; the services of the gardener would be liberated for other productive work.

The total wealth of the country is increased by the rich man's work ; it is not increased merely by his expenditure. Money alone does not produce—it must be allied to somebody's labour. The man who lives solely by his money is a true parasite, consuming what he does not produce. The larger the proportion of non-producers the smaller the return to each worker ; and the smaller his supply, the smaller his demand for labour.

Every class of society has more or less failed in the past to understand this aright, but leaders of the Socialist school have contrived to introduce the maximum of error into their interpretation. On the one hand we have the Trade Union policy of limitation of output and hours of work with the sole idea of creating work for more people. There is much to justify the origin of such a belief, however erroneous, and one feels sympathy with those whose personal experience has undoubtedly given them grounds for adopting so suicidal an attitude. It is true that at a given moment there is not enough paid work to absorb all the labour of a country. This indicates that there is something wrong with the organisation of industry—but it is not lack of work to be done. The attempt to remedy the evil by restricting labour only serves to aggravate its intensity and lengthen its duration.

The Socialists, on the other hand, see quite clearly that labour is essential to all production, and are quick to adopt the Marxian cry that labour, therefore, creates all wealth. The capitalist is denounced—wrongly in nine cases out of ten—as an idler and a parasite, and the essential service which his capital performs in every case is ignored or denied.

DEMOCRACY AND HIGHER EDUCATION.

THOUGH ignorance may not be actually the parent of Bolshevism, it is obvious that the average working man falls an easy prey to the preacher of revolution precisely because he lacks that knowledge of social and economic problems which would enable him to detect the fallacies upon which the advocates of anarchy base their inflammatory arguments. This is all the more true because the "class-conscious" worker has grown bitterly aware of his inferior mental equipment. He resents the fact of his ignorance almost as much as the fact of his poverty, and although deficient educational facilities are not among the most urgent grievances for whose redress labour is clamouring to-day, the satisfaction of material demands will inevitably be succeeded by an agitation for wider spiritual opportunities.

As the Education Estimates for the current year will soon engage the attention of the House of Commons, Mr. Arthur Henderson has seized the occasion to give voice to these aspirations. In attacking the inveterate parsimony which has distinguished the attitude of the State towards education in general and the universities in particular, it must be confessed Mr. Henderson has a good case. In comparison with other countries, notably France and the United States, our educational system is not a system at all. It is rather an ancient fabric built to a great extent by voluntary enterprise out of private benevolence, and has all the incoherence and lack of symmetry common to things of slow and spontaneous growth. Our public schools, our universities—those "homes of lost causes and forgotten beliefs" —retain the feudal character of their foundations. They exist to make youths of the upper and middle classes into gentlemen —which is nothing after all but adding gentleness to manliness— and within the limits of that unavowed purpose they have been marvellously successful. But between our universities and the elementary schools an impassable gulf is fixed, nor have they the remotest educational connection. Before the war—that is, before the passing of Mr. H. A. Fisher's recent Education Act— only 5 per cent. of the elementary school pupils made any attempt to attend a secondary school, while less than 1 per cent. have ever succeeded in forcing their way into either of the universities. These figures are not, according to Mr. Henderson, to be taken as evidence of a democratic lack of interest in higher education. The cure for them is, in the opinion of that section

of labour which he represents, the nationalisation of education and its organisation as an essential State service. "The only test of admission to a university should," he contends, "be intelligence and character, not class or income."

We agree with Mr. Henderson that it ought to be made possible for every British man and woman to gain access to the deeper sources of knowledge and to acquire that cultivation of the mental and moral nature usually described as a liberal education. Indeed, in most civilised countries such opportunities have long existed. There is not yet, however, any counterpart in Europe of the American free college, where an education sufficient to equip him for any position in life is at the disposal of every citizen. Its standard corresponds more or less to that of the two or three upper classes in the French *Lycées* and in the German *Gymnasia*, taken with the first two years of the university courses. Both these countries also possess a much more carefully graded and complete system of education than has yet been established in the United Kingdom. In Germany education was, like all other national institutions, organised in the different provinces of the Empire on a model supplied by Prussia. Its object has been to mould the student's character rather than to develop it, to store his intellect rather than to expand it. His soul was thus compressed to a definite shape, his mind filled with well-defined conceptions of his relations to the State; and by this means a population, at once docile and intelligent, was fashioned into an instrument admirably adapted to serve the military and political ends of Prussia.

In France an equally efficient and democratic, but more highly centralised, system produces a diametrically opposite result. The French secondary schools, which culminate in the *Ecole Normale* and in the universities, act as veritable forcing houses of the intellect. The students they turn out, who are admitted without distinction of class, have only one quality in common—an acute and critical intelligence which works on ruthlessly logical lines. Upon character the influence of education is not so direct in France as it is either in Germany, where it is repressive, or in England, where it is constructive. Though the strong link of sentiment which attaches a man to his college and its traditions may not be weaker in the case of the Sorbonne student than it is in the case of the Oxford undergraduate, it is indisputable that the average French youth owes less, morally speaking, to the educational machine than the average English boy does.

Although, considered as a machine, our system is amazingly narrow and imperfect, its influence upon the immature human

beings who pass through it is enormous. It is all the greater because it is involuntary. The multiplicity of private and public schools in this country are too unrelated to be animated by any conscious design. Regarded as a whole, English education possesses neither unity nor continuity. But its lack of these qualities does not diminish the fact that in the building up of character its success is unequalled either in Europe or in the United States. Its value is that it makes men.

The task before us to-day is not so much to change as to extend it, so that the " cook's son " as well as the " duke's son " can avail himself of its advantages. To the State, and ultimately also to industry, the worker whose character and intelligence have been trained is a more valuable asset than one who has remained encrusted in his native ignorance. Briefly, education pays. From the national as well as from the individual point of view we should either open the doors of our existing universities to conspicuous ability wherever it may be found, or else create new centres of learning where the sons of the people may, if they desire it, " drink deep of the Pierian spring."

Of the immense handicap of ignorance labour is more aware every day, since the war has brought new and complicated problems within the purview of the workers. They realise that nothing but education can help them to understand the issues involved, vital, it may be, for the future of true democracy all over the world. Nor should it be forgotten that in Russia, where the parody of democracy sunk rapidly into tyranny and anarchy, 85 per cent. of the population is totally illiterate.

The importance, therefore, of acceding to the desire of labour by providing increased facilities for higher education is evident. We shall neglect it at our peril, for the creation of an educated proletariat—educated not only in brain but also in heart—is the best, and may ultimately become the only means of stemming the tide towards revolution. From the practical as well as from the spiritual point of view the development of a national system of education, on lines adapted to the genius of our race, will more than justify the financial outlay involved. Money spent on improving the quality of the citizen is under all circumstances a good investment for the State.

The fashion for emulating the policy of the United States might, indeed, be more usefully followed in the matter of education than in other spheres of political activity. The establishment of free, or practically free, universities in every State west or south of Pennsylvania, coupled with the existence of public secondary schools in every town and in many of the rural dis-

tricts, provides a national system of higher education more complete than anything that can be found in Europe. The principle of State-supported free schools was in fact adopted as far back as the middle of the seventeenth century, when the colony founded by the Pilgrim Fathers numbered no more than 20,000 souls. But it was not until 1787 that the generous grants of land, from which the revenue of the American colleges is largely derived, was first allocated to the work of education in those States north of the Ohio river. By 1900 these school lands covered an area of 134,591 English miles, much of which has enormously increased in value, and this source of revenue is further augmented by State and local taxes. Though the degree of educational efficiency varies considerably in the different colleges, they exercise collectively a powerful influence in the life of the American nation to-day.

Yet the American nation as a whole have a thoroughly business-like conception of the value of education, as the following comparison, which appeared some years ago in the reports of the Commissioner for Education, proves. A professor from Columbia University estimated that the plant used for the purposes of State education may be valued at 10 per cent. of the entire national wealth. It represents, he declares, twice the capital value of the American telephone service, and one-tenth of the value of the railroads, while the number of teachers employed approximates to the number of physicians, lawyers and engineers counted together.

Here in England the difficulty of extending the housing accommodation and of adding to the teaching staff to meet the immediate need is considerable even at our younger universities. But it is not insurmountable, especially as the influx of students would, at least for many years to come, be small. It is unlikely, if the necessary provision be made, that the numbers of British working men who will seek the amenities of university life will ever be large. Indifference to intellectual pursuits is characteristic of all classes of Englishmen. It is, however, to be hoped that, in the interests of industrial harmony, we shall remain true to the ideal which has hitherto animated us, and continue to direct our efforts to the making of men rather than scholars when we decide—as we ultimately must—to remodel our educational fabric on a democratic basis.

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STATE CONTROL AND THE COST OF PRODUCTION.

ONE of the most important facts in industry, and yet one which is frequently overlooked in discussing industrial questions, is that, under ordinary circumstances, the market price of any commodity must be something greater than the cost of production by the dearest producer. It is necessarily so, because if he does not secure a fair return on his cost he will cease to produce sooner or later—usually sooner ; and since a commodity commands one price only in any given market, that must be one which will pay him. If it gives him a fair return, obviously it gives the cheap producer considerably more ; hence the anomaly that while the average profits of any industry may be perfectly reasonable, and perhaps even on the low side, some producers may be making large fortunes.

This fact was plainly brought out in the evidence recently given before the Coal Commission. It was shown that certain collieries could not make a profit at the controlled figure. It was essential in the national interest to keep them working ; and as they could not be expected to work for nothing, something had to be done to help them. It might have occurred to the Controller that the easiest and cheapest way out of the difficulty would have been to grant them a subsidy, in order to ensure them a reasonable profit ; and this could well have been done out of the profits of the more remunerative concerns. Unfortunately, however, it was preferred to increase prices generally, with the result that the cheap producers, already making large profits, were given huge additional sums, and the poor consumers were mulcted in heavy increases in price.

Another illustration occurs in the discussions on the price of milk. The farmers in the Western Counties are to have twopence per gallon less than is to be paid in other parts of the country, because their cost of production is less. They have a fertile soil, a mild climate, and no large industrial towns to force up rents. Hence they can produce milk cheaper than it can be produced elsewhere.

It may be asked why there should be these differences in the cost of production, and whether they are not prejudicial to the interests of the consumer. The answer is that while variations exist in situations and facilities, and especially in human beings, such differences are unavoidable. Take, for instance, the iron and steel industry ; one works may be situated nearer the

collieries or iron mines than another, with consequent lower charges for its raw material; one may have canal facilities, while another has to depend upon railways, which are always dearer than canals for heavy traffic; there may be local differences in the cost of labour, rent, and rates, and a thousand and one other things which, though small in themselves, yet affect the cost of production very appreciably.

But greater than any of these things is the difference in the human factor. Supposing that two works were started under precisely similar conditions, with the same amount of capital, drawing their supplies from the same sources in the same way, and selling in the same markets, would their cost of production be the same? It certainly would not, for no two sets of men would manage a works in precisely the same manner. One would undoubtedly prove superior in some essential respect, either in the management of its men, the technical equipment of the works, the efficiency of its selling staff, the purchase of its supplies, or some other factors. The decision at any particular works to increase output by working a night shift would considerably reduce the costs by bringing down the proportion of charges to output—one of the most important points in present day production.

We may take it, then, that it is impossible to get an equal cost for a given product over a given area. Does the consumer suffer through this? He does to a certain extent, if the cost of the dearer producers is due to bad management or bad equipment; and hence it is to his interest, as well as that of the works themselves, that the highest possible efficiency should prevail in industry. But this efficiency can only be relative; it is bounded by conditions peculiar to the particular concerns. Further, the fact that such differences exist is in itself a continual incentive to the best works to keep improving their efficiency, as they largely reap the benefit of the difference between the high and the low cost; and it also acts as an incentive to the dear producers to improve their efficiency, as, if the gap between their cost and the lowest figure became too great, prices would fail to be remunerative to them, and they would have to close down. This is all to the advantage of the consumer, as, other conditions remaining equal, it leads to a progressive decrease in costs; and while prices may never fall as low as they would be if based only on the cost of the best producer, they fall appreciably lower than if no such competition existed.

This question of self-interest is the great stumbling block in the way of nationalisation of industry. The advocates of

that policy argue, for instance, that if the coal mines were nationalised the price of coal could be equalised by making all mines work under exactly similar conditions, and by selling at a flat rate based on the average cost of production. This implies, of course, that the management of the mines would have no financial interest in them, and would not benefit either by efficient production or good selling. Is it conceivable that managements as a whole would trouble about increasing efficiency if their only interest in the matter were the general good of the community ? The result of the Excess Profits Duty is a sufficient answer. It is admitted that in the midst of a great war, while we were struggling for our very existence, and when every ounce of production was essential to our success, the Excess Profits Duty, by taking too large a share of the profits of industry, reduced production and increased extravagance and wastefulness. If this was the result of taking eighty per cent. of profits in time of war, what would be the result of allowing no profits at all in time of peace ? If human nature were entirely disinterested, the project might be workable ; with human nature as one knows it to be, the query admits of only one answer. Can anyone imagine a management consisting of Government officials striving consistently to produce coal of the highest possible quality at the lowest possible cost for the good of the nation, gaining nothing personally by their efforts, and seeing their product sold at the same price as a similar article produced at a far higher cost? And what of the effect of a flat rate on our export trade ?

To sum up : it may be possible to level *up* the cost of production by destroying the only incentive to efficiency which has any general power at present—*i.e.*, enlightened self-interest, or artificially to wipe out differences in cost as regards the consumer by selling out at a flat rate. Neither course, however, does away with the differences in efficiency and cost which exist, and always must exist, in *esse* or in *posse*, so long as physical conditions and human qualities differ, and which, moreover, are probably more beneficial in the long run than absolute equality could ever be.

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COAL MINING.—I.

[NOTE.—*The following is the first of two articles contributed by Dr. John Scott Haldane, F.R.S., the well-known authority on all questions involving the safety of coal mines, who has been intimately associated with the mining industry for twenty-five years.*]

1. The Spirit of the Industry.

As a result of the recent troubles in the industry the public has come to believe that coal mining, as at present conducted in this country, " stands condemned " on the human side, and is something of which we have good reason to be ashamed. The phrase " stands condemned " is used in Mr. Justice Sankey's *first* report (dated March 20th, 1919), of " the present system of ownership and working in the coal industry." This report was made on a reference concerning wages and hours alone. At that stage the Coal Commission had not been called upon to pronounce on the far wider question of the organisation of the mines, on which, indeed, it had taken little or no evidence. Its action in this respect appears to me to be open to grave criticism.

I should like to put on record the very different impression which I have formed as the result of constant contact with the industry during the last twenty-five years. By the industry I mean every sort and description of men concerned in any way in the work of raising coal.

My own work is that of a physiologist, and it was interest in the physiological action of the gases met with in coal mining that brought me from an Oxford laboratory into coal mines and among mining men of all sorts, from pony drivers to miners' leaders, from mine inspectors to colliery proprietors. It was the gases that attracted me first; but soon the men attracted me more. I became always glad to be among them, and proud to feel that they were my countrymen. I soon found that though they were mostly keen enough about their own interests, they were also wholeheartedly loyal to one another and to their country. When the war came there was never a doubt in my mind as to the part the mining industry would play in it.

Scientific work often brought me to a mine after some great explosion, and this gave me opportunities of finding out how those actually present had behaved. In whatever part of the

country the mine was, the quality of that behaviour was the same, and worthy of the best British traditions.

Perhaps I may illustrate this statement by the story of what happened at an explosion in which, owing to its comparatively small extent, it was possible to follow the course of events in some detail. The explosion took place at a colliery in South Wales and occurred in the middle of the night on a main intake road, the blast passing outwards with great violence to the bottom of the downcast (air intake) shaft. Three men were at work just beyond the site of the explosion, and, alarmed by a rush of air which knocked them over, came back towards the shaft to investigate. They found the night fireman and two others severely burnt and affected by the poisonous air, so that only the fireman was still conscious. He told them that he had fired a charge of explosive placed on a large stone which had fallen on the rails, and that this had caused a coal dust explosion. They tried to move him and his companions, but were not able, so he told them to leave him, which they did, as all knew that they would soon be poisoned if they remained. Together with others, whom they met, they escaped by another shaft. On the way out, they met several men who, though warned of the deadly danger, refused to leave the fireman and his companions to their fate, and went to where they were and carried them back some distance. Two of them fetched a horse and tram to carry the disabled men. They had turned the horse round ready to start, but the whole party of eight, along with the horse, were afterwards found dead, poisoned by carbon monoxide gas.

The manager, roused by the explosion, hurried from his bed to the pit, and finding the ordinary shaft out of action, descended the far shaft and, with four others, went to the rescue. By this time, however, the carbon monoxide had penetrated along the road ; and the manager, together with two of his companions, both of them firemen, fell down and died. The other firemen were rescued by a second party. A third and a fourth party, including the manager of a neighbouring pit and a doctor, had narrow escapes, man after man having to be carried out.

Meanwhile other rescuers, including the pit carpenter and two under-managers, descended by a ladderway to the bottom of the nearest shaft, where they found three men alive. They then pushed forward and found another man still breathing, but unconscious. He was examined by a doctor who had followed them down, and was carried back for treatment with oxygen. In attempts to get further the doctor and two others were overcome. The doctor was found and brought out some

distance by three more rescuers, all of whom, however, finally dropped. They were brought further by still another party, all of whom collapsed and had to be rescued in their turn. The doctor's two companions, an under-manager and a contractor, were dead before they could be reached.

Of the thirty men who lost their lives through the explosion, eleven had died in attempts to save their comrades. Had the rescuers known more about the properties of carbon monoxide the loss of life might have been much less, but the spirit that animated them was the spirit that always has animated British mining, and I hope will always continue to do so. In face of trouble, danger and difficulty, that spirit rises supreme and manager and men are at one.

No one would think from reading the Commission's reports that this could be the case. The truth is that coal mining as it actually exists in this country evolves energy, intelligence, loyalty and care in the same way as, for instance, the working of a ship. Every man must do his part. It has b en my experience that the " crew " in the mines--staff, miners, and the owner behind them who supplies the necessary capital—maintain a very high standard of duty.

2. The Human Side under the Present System.

I have tried to show the spirit that prevails in this industry, and that must prevail in it in order to ensure the safety and the success of its working. The present disturbances are, of course, leading many people to form false ideas of the situation as a whole, and very exaggerated ideas of some of the specific problems and difficulties. The suggestion that coal-mining in this country is managed and conducted in an inhuman manner, and with regard simply to personal gain, is one which rouses in me, knowing what I do, the keenest indignation. There are plenty of defects in the organisation of the industry, but on the side, at least, of human relationships among those engaged in it, and of careful regard for safety and health, it has been a model to the whole world. It not only evokes individual skill, intelligence and physical development, but also high moral and social qualities.

To a casual visitor who goes down a coal mine and is suddenly plunged into semi-darkness amid a bewildering confusion of dirty wire ropes, pulleys, beams and trucks, and perhaps into warm air which he imagines to be dangerously polluted, coal mining may appear to be an almost inhuman occupation. In reality there are few employments in which knowledge, skill,

and human relationships count for so much. Even the ponies, to those who take the trouble to study them, seem to take on almost human characters.

As mines grow deeper and larger, the equipment more extensive and complex, and the capital outlays involved more considerable, it becomes more and more difficult to maintain the direct personal relationships between mine-owners or managers and the men employed. Yet the maintenance in some effective form of this relationship is essential to successful and sound development. The whole industry is based on human relationship, and when this becomes impaired, misunderstanding and consequent friction are sure to arise, and have, as a matter of fact, become prominent at the present time. There is now a pretty general feeling that, to meet this defect, pit committees consisting of representatives of those employed should be appointed to meet the management, discuss matters of the common interest, and settle with the consent of the manager whatever could best be decided in this way, apart from the more general questions which are threshed out between owners' representatives and trade unions.

I am not sure that the public always appreciates how essential it is in the coal mines that some one man should be answerable for the conduct of the work and for the safety of the *personnel*. There may be businesses in which the decisions can safely be left to committees or groups of Government officials. But the manager of a coal mine must be able to act promptly and effectively and with authority. Any change in the direction of delegating his authority to a committee, or of turning him into a State official, bound hands and feet by service regulations, would mean that his duties would be inefficiently carried out.

The Coal Mines Act provides that " every mine shall be under one manager, who shall be responsible for the control, management, and direction of the mine." The manager must also be appointed by the owner or agent, and must hold a first-class certificate of competency. To my mind these are the most valuable general provisions of the Act, and it would be madness to go back on them. Neither a pit-committee nor an owner nor any Government official can interfere with the executive responsibility of a manager. Either the miners, or the owners, or, in certain circumstances, the High Court, can bring work at a mine to an end ; but the owners, who supply the capital, must have the deciding voice as to whether or not this capital is to be laid out.

If coal mines were nationalised, the State, as providing the capital, would be in the same position as the present owners.

If the latter were slothful and unenterprising, or regardless of the welfare of the miners, State-ownership might be desirable in the general interest. But it certainly cannot be justly said of British coal-owners as a whole that they have been backward and unenterprising in matters of control and development, or that they or the managers appointed by them have been neglectful of the welfare of the miners.

State control of mining, though on certain points of general organisation it might be advantageous, would be cumbrous, wooden, and consequently ineffective in detail as compared with control on the spot by persons directly interested in the results and in a position to act at once in any direction which seems desirable. The cumbrousness of State-control gives rise to endless personal friction, waste, and sticking of the machine. Even the presence of a tremendous national stimulus, like war, is hardly sufficient to overcome the friction or check the waste except in cases where the machinery is very simple. I cannot imagine how an industry like coal-mining could be carried on successfully under a scheme of nationalisation. I do not wish to say anything about nationalisation in general, but only to speak with a strict reference to coal-mining. What I have seen there of the interworking of private enterprise with State supervision does not lead me to think that progress is likely to be secured by an increase in the element of State-control, but directly the contrary.

Good management means, of course, increased private profit to owners, but it also means an enormously greater profit to the whole community, including better and safer conditions for miners. The former profit seems a small price to pay for the latter, and a far smaller price than would have to be paid under a State-controlled system. Of what that price would be we have an indication in the effect which the present measure of State-control has had on the production and selling price of coal, and in causing discontent and friction among miners, and paralysis of mining developments.

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THE INTERNATIONAL.

I.—Before the War.

THE inevitable trend of historic forces has compelled the working classes to develop international relationships. The comparative lack of information as to the origin, growth, and present position of what is commonly known as "The International," necessitates the following short historical sketch.

The great religious revolt of the sixteenth century led to temporary international relationships, Germans combining with Swedes and Frenchmen against their own countrymen, while the inspiration of the eighteenth century, spreading from France, broke through conventional patriotism, till the enthusiasm evoked by the revolution died down under the selfishness finally engendered.

Efforts towards international organisation of labour have proceeded chiefly from men who, exiled from their native lands by repressive Governments, have carried their views abroad. Meeting others in like distress and of similar temperament, they have naturally discussed together the possibilities of international movements for freedom.

In 1836 a number of exiles from Germany met in Paris and formed a secret society called "The League of the Just." They were foolish enough to become involved in the Paris rising of 1839, and fearing trouble, promptly removed to London. In London they found many of like mind to themselves—refugees from the various countries of Northern Europe—and the organisation began to assume an international character.

For a time the members of the League ceased to be seriously concerned with conspiracy and revolution and devoted themselves to propaganda. Their sentimental communism, based on the idea that all men are brothers, gave place to Marxianism. Economic conditions, they learnt from Marx, control the entire social structure. They must, therefore, have a scientific insight into proletarian history, and work for a social revolution that would change economic conditions.

Ultimately this organisation got into communication with Marx, and as a result a conference was called together in London in 1847, and the name was changed to "The Communistic League." The aim of the League was, as stated in its Constitution, to overthrow the *bourgeoisie*, to institute the rule of the proletariat, to abolish the old form of society resting on class antagonisms, and to found a new society without classes and without private property. Marx and Engels were instructed

to set forth the principles of the new League, and these they published shortly before the Revolution of February, 1848.

This manifesto is comparatively lengthy, but its keynote is that " the history of all society has been the history of class struggles." " The entire human society is divided into two great hostile camps—bourgeoisie and proletariat." " Proletarians of all countries—unite ! " This manifesto, first printed in the German language, was translated into English by a Miss Helen Macfarlane and was published in a paper called the *Red Republican.* It was printed in French and largely circulated in Paris just prior to the Revolution of 1848, and has since been translated into almost every language in the world.

The Revolution of 1848—the rising of the people in France, Italy, Germany and Austria-Hungary against antiquated political arrangements and institutions—partly interrupted the operation of the League, but although many of the members were able to return to their own countries and formed the most resolute and advanced wing of the struggling democracy of that period, the revolutionaries failed to effect any real changes. A period of unexampled development in the industrial world set in, and the time for revolutionary activity, which largely battens on social hardships, for a time passed away. Marx and his associates reasoned that capitalism had to work out its full development, and the time was not ripe for a successful effort against it. He withdrew from active participation in the industrial struggle, into his study in London, and in 1852 the first " International " came to a close.

Ten years passed during which time the peoples of Europe were still chafing beneath the yoke of antiquated political methods. Italy, France, Spain and Eastern Europe were constantly in a state of ferment, and although the social question may seem to have only a remote connection with these political movements, its revival led to renewed interest in the establishment of a working-class International.

The International Exhibition of London in 1862 was the occasion for the founding of what has since been known as " The International."

The workmen of France sent a deputation to visit the Exhibition, and their English brethren entertained them at the Freemasons' Tavern, where the international identity of Labour's aspirations and the need for common action were once more proclaimed.

Nothing decisive happened until 1864, when, on the 28th September, a great public meeting of working men of all nations was held in the St. Martin's Hall, London. Professor Beesly

presided, and Karl Marx was present. Fifty representatives of different nations—the half of them being English—were appointed to draw up the constitution of the new Association.

At the first meeting of the Committee the sum of three pounds was collected, which shows how humble were the initial finances of what was ultimately to be a world-wide movement. Mazzini was asked to draw up the constitution, but the ideas of the Italian patriot were not suited to the broader question of internalionalism. He favoured political conspiracy conducted by a strong central authority. Again the international movement went back to Marx, and Marx once more created the basis of the world International. He laid it down that the emancipation of the working class is neither a local nor a national, but a social problem, to be solved only by the combined efforts of the most advanced nations. He also enunciated a point of view that would be useful to the trade union movement of to-day, "no duties without rights, and no rights without duties." The ideals of this manifesto are identical with the one previously quoted.

A General Council having its seat in London was appointed, and while the President, Treasurer and General Secretary were to be Englishmen, each nation was to be represented in the Council by a Corresponding Secretary. After its formation it was intended to hold the first Congress—for the purpose of finally arranging the Constitution—at Brussels, in 1865, but the Belgian Government objected, and the Council had to meet in London.

The first full Congress was held at Geneva in September, 1866—sixty delegates being present—and here the statutes as drafted by Marx, were adopted. Resolutions in favour of a comprehensive system of education and the gradual reduction of the working day were carried, but socialist principles were only set forth in general terms, the influence of varying schools of socialist thought preventing the enunciation of a doctrinaire system which would tie the International to any one school.

The second Congress was held at Lausanne in 1867, and the third at Brussels in 1868. Ninety-eight delegates, representing four European countries, met on this occasion and the fundamental aim, "to Labour, the full product of Labour," was carried. A universal strike to prevent war was also advocated, and solidarity for this purpose was anticipated. In September, 1869, the Congress met again at Basle, and on this occasion considerable differences of opinion in basic principles were disclosed. For instance, a proposal to abolish the right of inheritance failed to obtain a majority.

By this time the growth of the International had evoked a good deal of general interest throughout the whole of Europe.

Trade unions throughout Europe, and even in America, announced their adhesion to its principles. It had affiliated societies as far east as Poland and Hungary, and journals devoted to its views in every country in Western Europe. *The Times* published four special articles on the Brussels Conference, and the International became notorious as the rallying point of all the social revolutionary movements of the world. Its prestige, however, was based more on its possibilities than its actual power.

In 1870 the International resolved to return to its birth-place of 1836, and to hold its annual Congress in Paris, but the outbreak of the Franco-German war frustrated the plan. The war itself was, of course, vehemently denounced, and a strong protest made against the annexation of Alsace-Lorraine, but the efforts of the League to prevent or modify the struggle were entirely ineffective. Its relation to the rising of the Commune in Paris in 1871 has never been definitely decided, but the fearful shock caused by the overwhelming events of the Franco-German war led to wide-spread confusion, and the decline of the Association must be dated from that point. An attempt to incorporate the anarchists under the leadership of Bakunin proved a failure, and the Anarchist Party was eventually expelled, after an animated discussion, at The Hague Congress, in 1872. The General Council's offices were then removed to New York. This was the beginning of the end. The International survived just long enough to hold another Congress at Geneva and then quietly expired.

After the collapse of the Association many years elapsed before any further attempt was made to create a world-wide organisation for keeping the politically organised workers in touch with each other. The new attempt was made by the French Socialists, who organised an International Socialists' Congress in Paris in 1889. Continental Socialists had divided into two broad schools of thought. There were the rigid Marxians, still adhering to the programme laid down in the old "Communist Manifesto," to the principles of the Class War. And there was the new evolutionary school, developed later by Bernstein in Germany, Millerand in France and Keir Hardie in England. The supporters of the two movements were too opposed in method to work together, and separate congresses were held. The delegates of the "Extremists" numbered three hundred and ninety-five, and the "Opportunists" assembled six hundred representatives. A great deal of discussion took place, but neither Congress achieved any definite result. Joint conferences were held in 1891, 1893, and 1896, in Brussels, Zurich and London respectively, and 1900 found

the Association back again in Paris, and engaged at last on constructive work. This conference created a new central International Socialist Bureau.

Mindful of the failure of the old International, care was taken to so word the Constitution as to exclude anarchists, but to admit of the inclusion of all socialist organisations and trade unions. The Bureau, with its central offices at Brussels, was to continue the work of, and put into execution the decisions arrived at by, the International Socialist Congresses. Congresses were to be held every three years. By 1914 socialist societies of twenty-eight different countries had affiliated. These comprised every country in Europe, with Canada, the United States of America, Argentine, and Australia. Camille Huysmans is the present secretary, and up to quite recently Emile Vandervelde was chairman.

Great Britain is connected with the International Socialist Bureau by what is termed the " British Section." This is made up of five delegates from the Labour Party, two from the I.L.P., two from the B.S.P., one from the Fabian Society, and the three delegates to the International. Two of these latter are appointed by the British delegates to the International Congress, and the other by the Labour Party of the House of Commons. It will thus be seen that the greater part of British trade unionism, and almost the whole of British Socialism, is directly connected with the new " International." Arthur Henderson is the Secretary of the British Section, and other notable members are: Ramsay Macdonald, H. M. Hyndman and Dan Irving, while Mr. Bruce-Glasier usually fills the place left vacant by the death of J. Keir Hardie.

In 1912 a hastily summoned special Congress was held. There were five hunderd and fifty-five delegates present. The Congress was held at Basle, and its chief purpose was to protest against the possible entry of the Great Powers into the Balkan war. Whether the Congress really had any significance in Europe at the time, and whether the international diplomatists regarded it seriously, is a moot point, but an international strike against war has always been one of the great ideals of the larger working-class movements.

The 1913 Congress which was to have taken place at Vienna was postponed until the late summer of 1914, and then just as what promised to be one of the most momentous International Congresses was about to be held, the Great War broke out. France, Germany, Russia, Belgium and Austria mobilised, the dream of the great international strike to prevent war was shattered, and once more the International crashed.

VIEWS OF THE MINORITY PRESS.

THE chief topics dwelt upon in the Minority Press for July were the intervention of the Allies in Russia, the merits of "direct action" for industrial and political objects, and the nationalisation of mines, with particular reference to the Sankey Report. The piece-rate strike of the Yorkshire miners gave satisfaction to the extreme section, though some of the more far-seeing leaders regarded it as a mistake in tactics, holding that the withdrawal of the pumpmen prejudiced the miners' case with the public, for this was undisguised sabotage. The sending of naval men to work the pumps was interpreted by the *Daily Herald* as a confirmation of the policy of the "secret circular" of the War Office, and the sailors were described as "blacklegs." This irreconcilable attitude of the *Daily Herald* in every dispute is the quintessence of yellow journalism and is the only consistent feature of its policy. *The Socialist*, July 24th, discussing the Yorkshire strike and the sending of naval ratings to work the pumps, says that this "substantiates the repeated warnings of the S.L.P. not to be nose-led by any reverential feelings for so-called democracy or Parliamentary institutions," for this act of the Government vindicates "our demand for a clear recognition of the class character of the Labour movement."

The revolutionaries of the S.L.P. and kindred societies see in the present unrest those psychological conditions, described by Le Bon, that make revolutions possible. On this the *Socialist* remarks:—"There are certainly plenty of historical analogies to the present psychological temper of the masses in this country. Those who pride themselves on being the direct expression of working-class opinion are betraying a great trust if they do not turn the circumstances of the moment into a glorious opportunity for Labour and DOWN THIS GOVERNMENT." The workers are urged to "cease their sectional strife, to close up their lines, build up their shop committees and prepare to meet the immediate and—let us hope—final struggle that lies before them."

The Call attacks the Government for increasing the price of coal, and declares that it is "a plot to smash the miners." Sir Leo Chiozza Money said the same thing in the *Labour Leader*, July 17th. *The Call* interprets the present trouble with the miners as the beginning of the great struggle between Capital and Labour, for which the B.S.P. has been preparing the way. "Now, as ever, the B.S.P. is on the side of the workers, and, so

far as in us lies, we will play our part in the accomplishment of the Social Revolution ! "

The Peace Celebrations appear to have annoyed the revolutionaries. This is probably due to the date having coincided with the date for the " Hands off Russia " demonstrations and projected strikes. These were a fiasco in every country, so the disgruntled fraternity endeavour to console themselves by declaring the Peace celebrations to have been a failure. Mr. Snowden (*Labour Leader*, July 24th) says they " lacked the spontaneity and enthusiasm which marked the demonstrations which followed the signing of the Armistice," and that the people did not approve of the Peace Treaty. " To intelligent people who supported the prosecution of the war because they believed that it was a righteous struggle for great principles and aims, the occasion must have assumed the character of a mockery." *The Call* informs its credulous readers that in spite of " tremendous preparations, the whole show spluttered like a damp firework. There was no genuine joy or enthusiasm. . . . There was a slump in bunting, and not enough beer. . . . No ! as a circus to distract the attention of the workers from the thunders of the social revolution which are rolling across the skies of the Continent, the Peace celebrations were a failure." This organ of Bolshevism suggests that other diversions will have to be found by " the gang of criminal profiteers who run the British Empire " if they desire to stem, even for a time, " the rising tide of revolution." *The Call* foresees at an early date a " monster demonstration " being held to celebrate the death of Capitalism. The Socialist Republics in Russia and Hungary " are cementing their power and strengthening their position " and *The Call* infers that this is a pure indication of the early demise of Capitalism. " It is only a question of time, and of the stiffening of that *will to power* which is most lacking in the working-class movement in this country." When our workers fully realise their power—political, industrial, numerical—they will be ready " to take over the country and run it: they will be done with the old order."

The " Hands off Russia " campaign continues, though the demonstrations on July 21st were not the success anticipated. The Labour Party was responsible for these demonstrations, which were organised as an alternative to the 24 hours' strike proposed by the extremists. Robert Williams appealed through *The Call*, July 17th, to the workers to down tools on the 21st, and we find Mr. Ramsay Macdonald on the same errand at Glasgow (*Daily Herald*, July 8th and 9th). It should be noted that both Mr. Macdonald and Mr. Williams are members of

the Executive of the Labour Party. In the *Socialist* and the *Workers' Dreadnought*, of July 17th, a manifesto was published calling upon the workers to " down tools " in support of the Russian Bolsheviks. The manifesto was signed by the secretaries of the B.S.P. and the S.L.P., also by Sylvia Pankhurst and a South Wales agitator named Davies. In this appeal we are told that everything is going well in Russia under Bolshevik rule. " The individual rule of the workers is established there, and the rule of the master class abolished." All statements to the contrary are lies. If the Bolsheviks are to be saved from the anti-Bolsheviks it is necessary that there should be " hard and determined work *now*, in the workshop, in the trades union branch, and on the Trades Council. There is not a moment to be lost, the time to work is now." The proposed 24-hours' strike was to be a warning to the Government and if it failed to have the desired effect, " then steps must be taken for a stronger and longer protest." The manifesto concludes by declaring that if the Bolsheviks are crushed, Lenin, Trotsky, Bela Kun, and others will be murdered, and millions of comrades will be massacred by the reactionaries. If the workers here take no action to save the Workers' Republic they will share the responsibility for what occurs, " and our own hope of Socialism will be wrecked for many a long year to come." The workers on July 21st ignored this pathetic appeal and apparently do not mind what happens to Comrades Lenin, Trotsky and Bela Kun !

The *Socialist*, July 17th, published the Moscow Manifesto of Lenin, and also a series of appeals to British and American soldiers to form Soldiers' Councils and to join the Bolsheviks, and on their return home to sweep away the Capitalist system and adopt the Soviet system. These appeals are being issued in pamphlet form by the S.L.P., and W. Paul asks members to " spread them broadcast." According to the *Daily Herald*, our intervention in Russia is due to the fact that members of the Cabinet " hold shares in Capitalist concerns in Russia." France withdrew from Russia because "its sailors took direct action " ; Italy withdrew " because its transport workers took direct action to make it " ; and America withdrew " because its soldiers took direct action to make it." The statements of our Government must not be believed. " We have got to realise that the Government is a liar to the backbone."

By such crude incitements and such tactical misrepresentations would our revolutionaries attempt to drag Great Britain into the maelstrom which has engulfed the luckless victims of anarchy in Russia and Hungary.

FOOD FOR THOUGHT.

THE malaise which affects the world of Labour shows no signs of abating and the Government seems unable either to diagnose the malady or to prescribe a remedy. With the conclusion of the peace negotiations and with the realisation, so long delayed, of the gravity of the industrial situation, we had hoped that the Prime Minister would have got his team together and tackled this most urgent of all problems in earnest. But the old policy of drift still prevails, and troubles are patched up, hidden away or bought off after the fashion with which in recent years we have become so painfully familiar.

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Dangerous situations, which everybody who studies the subject could have foreseen and provided against, are allowed to develop, apparently unheeded. Opportunities for settlement in the earlier stages of nascent unrest are missed and action is only taken at the eleventh hour, without reference to the problem considered as a whole and when concessions are too belated to be conciliatory. Clear thinking is at a discount, and the efforts of one State Department are, as often as not, nullified by the lethargy or defeated by the misdirected activities of another. Nobody seems to have any coherent idea as to the broad lines which the Cabinet intends to pursue in this matter, nor as to the identity of the Minister who is responsible for giving effect to any policy that may have been decided upon. Shirking is the order of the day, and whilst undoubted storm, and apparent calm, alternate on the surface, the ground-swell of social and industrial unrest grows more and more menacing.

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This state of affairs cannot continue without disaster, yet with the immediate prospect of the dead season, which accompanies the parliamentary recess, before us there is little hope of speeding up on the part of the Government machine for many weeks to come. Meanwhile those agencies which make for national deterioration are working at full blast. There is no Armistice Day in the class war, and agitators dispense with summer holidays.

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It is always easier to criticise than to construct and the complications which have been accumulating during the last three and a half years cannot be disentangled in a day, but there are

certain elementary factors in the situation which must be recognised by everybody. However good the intention, no Government will ever succeed in pleasing all parties, and so it is futile to waste time or energy in making the attempt. Without the help of responsible Trade Unionists the Cabinet must fail to obtain the support of any considerable section of Labour. We have had enough of lime-lit Commissions of Enquiry, the Parliamentary Labour Party is glued to the fence, and the irreconcilables are " off the map " so far as practical politics are concerned. It follows, therefore, that the first step in the right direction would be an informal but comprehensive investigation of the whole problem in all its ramifications by a select body of responsible men who would sit *de die in diem* until they arrived at some common agreement on first principles. As soon as this stage was reached Ministers in charge of Departments could be taken into consultation and a detailed plan evolved. All this would take time, and as there is none to be lost a start should be made immediately, especially as the crisis is likely to mature during the coming winter. If such a combination as the Prime Minister, Lord Milner, Mr. W. L. Hichens, Mr. J. R. Clynes and Mr. J. H. Thomas could be got together for this purpose we should be on the high road to a solution of the most vital problem that has ever confronted the British people.

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The postponement of the ballot on the " Direct Action for political purposes " question decided upon at the Triple Alliance meeting on August 12th has been heralded in many quarters as " a great climb down "—and easily satisfied optimists are congratulating themselves on a victory that was none of their winning. Their elation is likely to be short-lived.

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One of the least encouraging symptoms of the day is the displacement by extremists of moderate men who have held key positions in important Trade Unions. The election of Mr. Tom Mann as General Secretary to the A.S.E. is a case in point—and one which is bound to lead to a peck of trouble, not only to the concerned Union, but to the industry of engineering at large.

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" It is the duty of every right thinking citizen to be a missionary preaching the gospel that in work alone lies safety. It should be the pride of everyone to bear a banner in this new

crusade. Now that the tumultuous incidents of victory are over and the period gone by when strained nerves have given way in the experience of a great relief, let the people unite once again to achieve salvation by a common effort. Only in this way shall we be worthy of ourselves."—SIR ROBERT HORNE.

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The *Labour Gazette* gives the number of working days lost from strikes during the first four years of the war as 18,028,000. Allowing three hundred working days to the year, eight hours to the day, and one shilling as the average value to the community of an hour's work, we find that the equivalent of some 60,000 workers took a whole year's holiday apiece at a cost to the community of £7,211,200. These figures refer to a period during which "the right to strike" was supposed to be dormant, and the resulting loss is on a scale which in comparison with the present state of affairs is almost trivial.

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According to Mr. G. Bernard Shaw "The lamentable ignorance of eloquent leaders of clerical and political life on present day economics is dangerous to the country." Even Cabinet Ministers are not exempt from the need for economic teaching. In his speech in defence of the Profiteering Bill, Sir Auckland Geddes tells us that profiteering produces two economic results which alone would justify the introduction of the Bill. On the one hand, "Wherever the home market presents a great opportunity of profit . . . the tendency is to concentrate on the home market at the expense of the overseas market." On the other hand, "the making of high profits acts as a magnet to draw imports to the country."

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Now profiteering to any great extent (unless competition be entirely absent) is only possible when the supply is less than the demand. If we concentrate on home production the balance between supply and demand will soon be readjusted in favour of the buyer, and the foreigner competing in an open market will have to lower his price if he wants to sell his goods. In other words, profiteering will be destroyed by these very evils that the President of the Board of Trade fears it will bring about. Moreover, no foreign manufacturer will "flood our country with unnecessary articles," unless we can pay for them. Our credit depends on our ability to export in return for imports. It is impossible to concentrate on home markets to the exclusion of foreign markets, and at the same time import on a vast scale.