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FOR THE YEAR

1931

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THE Editor of THE ANNUAL REGISTER once again expresses his thanks to *The Times* for permission to make use of matter published in its columns.

MR. RAMSAY MACDONALD'S SECOND LABOUR MINISTRY.

(JUNE 8, 1929—AUGUST 24, 1931.)

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<i>Chancellor of the Exchequer</i> .	Mr. Thomas Johnston (<i>from March 24</i>).
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<i>Paymaster-General</i>	Mr. H. B. Lees-Smith (<i>till March 2</i>).
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<i>Colonies</i>	Mr. F. Montague.
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xii MR. RAMSAY MACDONALD'S LABOUR MINISTRY.

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Agriculture and Fisheries
Education
Health .
Labour ,
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Post Office
Board of Trade
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Mr. J. A. Parkinson (*from March 13*).

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Lord-Advocate
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ANNUAL REGISTER

FOR THE YEAR

1931.

PART I.

ENGLISH HISTORY.

CHAPTER I.

INDUSTRIAL UNREST AND PARTY DISAFFECTION.

THE year opened inauspiciously with serious Labour disputes. In the South Wales coal-field the miners refused to prolong the provisional arrangement which had expired at the end of 1930, and as the owners would not grant them more favourable terms they ceased work on January 1 to the number of nearly 150,000. Mr. Graham and Mr. Shin well tried very hard to bring about a settlement, but in spite of their efforts over a fortnight elapsed before work was resumed. In the meantime there had been considerable unrest in other coal-fields, especially in Scotland. An actual stoppage was avoided, but discontent continued to be rife among the workers, and the arrangements made by them with the employers were for short periods only.

No sooner had work been resumed in South Wales than a stoppage on an even larger scale took place in the Lancashire textile industry. The trouble arose from an attempt of the employers to install in their mills the "more-looms-per-weaver" system, *i.e.*, to assign to the care of each weaver eight looms instead of four. The experiment had been tried in the Burnley district for about a year, and in the view of the employers it had been so successful that they now wished to give it a wide extension. The operatives objected violently, fearing that the change would ultimately lead to a reduction of wages, and on January 10 20,000 weavers in the Burnley district came out on strike. **The whole body of weavers threatened to follow suit if any further attempt should be made to introduce the new system. Mr. Graham and Mr. Henderson—who was a member for Burnley—used all their efforts to bring about a better understanding between the**

two parties, but without success. The employers insisted on the new plan being adopted, and as the weavers still declined they locked them out to the number of some 200,000 (January 17).

For a time great obstinacy was shown by both sides, especially the operatives, who by a ballot vote forbade their trade union leaders to enter into any negotiations. When, however, the stoppage had lasted nearly four weeks, the employers came to the conclusion that it was not worth their while to continue the struggle, although they were as strongly convinced as ever that the more-looms-to-a-weaver system was quite practicable, and would eventually prove of benefit not only to themselves but also to the operatives. One consideration that weighed very strongly with them was that the British Cotton Textile Trades Exhibition was about to open, and they were afraid of the bad impression which would be produced on visitors if at the same time the Lancashire industry should be idle. Accordingly, on February 13 they called off the lock-out, and the men returned to work on the old conditions in the following week.

The troubles in the coal and cotton industries were symptomatic of a general spirit of unrest which at this time pervaded the Labour world. The workers in other industries also were apprehensive—and not without reason—lest they might be called upon to submit to a reduction of wages or some alteration for the worse in their conditions of labour. The cry had gone forth among them that the employers were preparing a "mass attack on wages," in order to preserve their profits in spite of the trade depression. While not denying that profits had shrunk, they were convinced that there was still abundance of wealth in the country, and that from one source or another money could be obtained to maintain the level of wages, and so enable them to keep up the "standard of living" which they now looked upon as their inalienable right. The employers on their side insisted that they could not hold their own in competitive markets without a reduction of working costs, which meant in most cases a reduction of the wages bill. This sharp diversity of interest threatened to nullify the progress which had been made since the great strike of 1926 in creating a "better spirit" in industry, and to reduce to impotence the bodies which had been called into being to promote co-operation between employers and employed.

The difference in outlook between the two sides was strikingly illustrated by the proceedings which took place at the end of January and the beginning of February before the National Wages Board for the railways, in the hearing of the wage dispute between the companies and the railway workers, which had been pending since the previous November (*vide* ANNUAL REGISTER, 1930, p. 100). In support of the companies' proposal to make drastic reductions in wages it was contended that the railways were hampered by the burden of an excessive labour cost and

undue rigidity of conditions of service. Wages on the railways were on the average over 120 per cent, higher than in 1914, and the total railway bill for wages was 143 per cent, higher than before the war. Yet the volume of traffic was less in 1929 than before the war, and was still falling alarmingly. The answer of the men was that the terms proposed by the companies would nullify all the benefits they had obtained from the agreements of 1919 and 1920, and would restore the pre-war conditions, which had been notoriously disgraceful. The bad financial plight of the railways, it was maintained, was largely due to inefficient management, and could be remedied to some extent by better organisation. Besides, as the capital of the companies had been "watered," it would be more fair to reduce the dividends of the shareholders than the wages of the workers.

In addition to high wage rates, the burden of maintaining the social services placed a severe handicap on employers in their endeavours to meet foreign competition. In order to bring this fact home to the public, the National Confederation of Employers' Organisations early in February issued an alarmist statement on "The Industrial Situation," with a covering letter to the Prime Minister in which it expressed its "profound anxiety" at the present state of industry, and declared that the first step towards national recovery was that public opinion should realise the true gravity of the situation. This gravity consisted in one word in the decline in British export trade, due chiefly to the high level of British costs of production, and therefore of prices, as compared with those of competitors. It was the State itself which was in a large measure responsible for the high level of wages by fixing high rates of unemployment benefit, by making grants to local government authorities enabling them to maintain wage rates higher than the exporting industries could pay, and by the extension of statutory wage-fixing machinery. Hence it was in the power of the State to assist materially in the lowering of costs of production. To this end the Confederation recommended that unemployment benefit should be immediately reduced by $33\frac{1}{3}$ per cent., that the fund should be placed on a strict insurance basis, and that a maximum inclusive sum—considerably less than the £400,000,000 provided in 1929—should be fixed, out of which the whole cost of the social services would have to be met.

Immediately on receiving the statement, the Prime Minister invited representatives of the Confederation to meet him and other members of the Government at the House of Commons. At the interview, which took place on February 19, he turned the discussion on to the topic of industrial peace, which was not at the moment a burning question, and the consideration of the Confederation's proposals was left over for a future occasion.

On March 25 the General Council of the Trade Union Congress

adopted a "short statement on economic policy" which was meant as an interim reply to the memorandum of the Employers' Confederation and to a statement on similar lines issued on February 11 by the Federation of British Industries. The Council jeered at the employers for "approaching the economic problem with the mentality of nineteenth-century industrialists," whose first thought, on being faced with trade depression, was "to invite or force reductions in wages, longer hours, or other degradations of working conditions." The Council was convinced that no help could be afforded by a policy of reducing wages. The constructive policy in keeping with modern ideas was to raise standards all round and not to depress them. For this purpose industry should be made a public service, functioning in the interest of the whole community and organised on modern scientific lines. Equally important was it that international co-operation should be developed through the League of Nations, so as to secure a common policy dealing with raw materials, markets, and credit.

The endeavours of the employers in the industrial sphere to reduce costs of production had their counterpart on the political side in an agitation for reducing State expenditure. Shortly before the National Wages Board for the railways commenced its sittings, a campaign on behalf of public economy had been inaugurated with an imposing demonstration at the Cannon Street Hotel, attended by a large number of persons prominent in the industrial and financial world, and presided over by Sir R. Home. The speeches went over familiar ground, demonstrating the need for economy, but failing to specify any field in which it could be practised. Arrangements were subsequently made to carry the campaign into every part of the country under the auspices of the Economic League, the Friends of Economy Committee, the National Citizens' Union, the Individualist Bookshop, and the National Association of Merchants and Manufacturers.

The India Round Table Conference, which had been opened in London in November (*vide* ANNUAL REGISTER, 1930, p. 95), was in continuous session during the first two weeks of the year. In spite of the Hindu-Moslem deadlock (*vide* ANNUAL REGISTER, 1930, p. 112), the Federal sub-Committee proceeded with its labours, and gradually hammered into shape a definite scheme. On January 3, Sir Tej Bahadur Sapru made an important declaration of policy, on behalf of the British India section, outlining the kind of federal system into which they would be willing to enter. His proposals were accepted, subject to certain reservations, by Lord Reading, who now showed himself willing to go considerably further to meet the Indian Nationalist demands than formerly. Sir Samuel Hoare and Lord Peel were also favourable, though somewhat more critical. A couple of days later the Lord Chancellor drew up a draft report embodying

the conclusions suggested by the debate, and on January 13 this was adopted by the sub-Committee with certain reservations on the part of the various sections.

The production of this document was a positive achievement which at least saved the Conference from the reproach of barrenness. The report showed that agreement had been reached between all parties on two principles of fundamental importance. One was that as soon as possible an All-India Federation should be created with a responsible central governing body. The other was that certain powers should be reserved from this central authority to the British Government in order to ensure the maintenance of order, the protection of minorities, and the fulfilment of India's obligations to the outside world. Whether it would be possible to fit such reservations into the framework of the new Constitution was a point which was left for subsequent discussion.

After nine weeks of strenuous labour, the Conference was wound up at a plenary session held on January 19. A resolution was passed stating that the reports of the sub-Committees, though provisional, afforded material of the highest value for use in the framing of a Constitution for India, embodying as they did a substantial measure of agreement on the main ground plan and many helpful indications of the points of detail to be further pursued. A number of the Indian delegates expressed their gratification with the work achieved by the Conference. Lord Peel, on behalf of the Conservative delegates, said that their aim had been to sketch the main outlines of a Constitution at once so flexible as to meet the differences of the Federal units and so firm as to create a strong cement of unity at the centre. Lord Reading declared that the Liberals upheld in their entirety the statements which he had made before the Federal sub-Committee, and that they definitely supported the policy of conferring responsibility at the Centre, provided the safeguards were adequate and the new Constitution was workable.

The Prime Minister, in winding up the Conference, said that they had gone as far as they could for the time being, and that they had now to submit their conclusions to the public opinion of their respective countries. In order to make the position of the Government quite clear, he read out a formal declaration of policy which had been drawn up on its behalf. It was here stated that in its view responsibility for the government of India should be placed upon Legislatures, Central and Provincial, with such provisions, however, as might be necessary to guarantee during a period of transition the observance of certain obligations and to meet other special circumstances ; also with such guarantees as were required by minorities to protect their political liberties and rights. For this purpose it would be necessary for the Government to reserve to itself certain powers during the period of

transition ; but it would endeavour to do so in such a way as not to prejudice the advance of India through the new Constitution to full responsibility for her own government. In conclusion, the Prime Minister laid stress on the value of personal contact as a means of removing differences and misunderstandings, and promised that the Government would strive to secure such an amount of agreement as would enable the new Constitution to be passed through the British Parliament and to be put into operation with the active goodwill of the people of both countries.

In the course of the Parliamentary vacation the Minister of Education sought to extricate the Education Bill from the impasse to which it had been brought by the insistent demand of the Roman Catholics that their schools should receive an additional grant (*vide* ANNUAL REGISTER, 1930, p. 111). He was himself inclined to accede to their demand, but before committing himself called a Conference between the parties interested, in order if possible to win the consent of the Nonconformists to such a step. In this he was unsuccessful, and he therefore left the Catholics without any definite undertaking, merely promising to do his best for them. The Roman Catholic members of the Labour Party were not satisfied, and threatened to make trouble for him when the Bill again came before Parliament.

From other quarters also clouds seemed to be gathering over the Government during the vacation. The Scottish branch of the Independent Labour Party, which in the previous year had frowned on Mr. Maxton's insubordination towards the Government, now gave him its approval. The Conservative leaders, who in the previous session had been somewhat half-hearted in their opposition, now determined to attack the Government with more vigour and to spare no effort to bring about its downfall. Shortly before Parliament met, Mr. Baldwin issued a circular to his followers, chiding them for their slackness in the previous session and calling upon them to show strict obedience to the Party Whips in future. Worst of all, the number of unemployed showed no sign of decreasing, and the continued passivity of the Government in face of the problem made it more difficult than ever for the Liberals to accord it their support.

Parliament reassembled on January 21, and the House of Commons immediately resumed the discussion of the Education Bill, which had reached the Report stage before Christmas. As the Catholics had not received any assurance from the Government that special provision would be made for their requirements, Mr. Scurr moved on their behalf that the Bill should not come into operation until an Act had been passed authorising the expenditure out of public funds of the money required for re-conditioning the non-provided schools. He pointed out that in order to provide suitable accommodation for the increased number of children who would be at school under the new Bill, the Catholic

community would require about a million pounds, a sum which it could not possibly raise from its own resources ; and if the money were not forthcoming, the children would suffer. The Minister of Education again showed himself sympathetic to the Catholic request, but he would not go so far as to accept the amendment, out of fear of the Nonconformists, who were strongly against making such a concession to the Catholics. In the division no fewer than forty-one Labour members voted for the amendment, and as they were supported by the Conservatives, the result was a defeat of the Government by 33 votes, the figures being 282 for the amendment and 249 against.

Although this event created a great sensation both in Parliament and outside, its political effect was negligible. The Prime Minister denied that the amendment involved any question of principle on which the Government must stand or fall. It only meant, according to him, that a guarantee was put into the Bill on behalf of the voluntary schools, and it entailed no change in the Government's intentions. Accordingly he announced, somewhat to the surprise and disappointment of the Opposition, that the Bill would be proceeded with forthwith ; and it was actually carried through its remaining stages on the same night.

If the Government ran risks with the Education Bill, it took its life in its hands with the Trade Unions Bill, which it brought forward immediately afterwards. This measure was assured beforehand of the united support of the Labour Party and the united opposition of the Conservatives. Sir John Simon had also declared his intention of voting against the Bill, and it was fairly certain that at least half a dozen other Liberals would join him. Thus the fate of the Bill depended on the action of Mr. Lloyd George and his followers. All of these were strongly opposed to certain provisions of the Bill, notably the restoration of "contracting out" for the political levy and the permission to civil servants to form political associations. On the other hand, they did not deny that the 1927 Act was in need of amendment in important particulars ; shortly before Parliament met the chief Liberal Whip, Sir A. Sinclair, had issued a circular to members of the party containing extracts from speeches made by Liberals in the debates on the 1927 Bill, in which some of its provisions had been severely criticised. Consequently the bulk of the Liberals had not yet been able to make up their minds whether to reserve their opposition for the Committee stage of the Bill, or to display it at once on the motion for the second reading. Thus it seemed fairly certain that the Bill would not reach the Statute Book in anything like its present form. What could not be predicted was whether its buffeting would involve the downfall of the Government, and if so, whether immediately or at some later date.

The second reading of the Bill was moved by the Attorney-

General, Sir W. Jowitt, on January 22, before a crowded house. The speaker based the case for the Bill on the ground that the 1927 Act had been founded on and inspired by a feeling of resentment, and in consequence placed unjust restrictions on the activities of the Trade Unions. He ridiculed the idea that the Bill was calculated to stir up industrial strife or cause industrial unrest; on the contrary, it was the Act of 1927 which had had the effect of engendering distrust and suspicion among the workers, and was therefore an obstacle to the building up of a better industrial system. Dealing with the purely legal aspect of the Bill, he said that its provisions were based on four propositions. One was that while any revolutionary or political strike or lock-out was illegal, the right to declare a strike or lock-out, even sympathetic, in furtherance of a trade dispute must not be placed in jeopardy. The second was that no man should be held guilty of the crime of intimidation merely for doing or stating that he intended to do what it was lawful for him to do. The third was that when an association set up a political fund, the individual member should be bound by the decision of the majority unless he gave notice of his objection. The fourth was that the participation of civil servants in political affairs was a matter the decision on which should be left entirely in the hands of the Treasury. In so far as the Bill carried out these objects, he maintained that it was an act of justice to the workers which should not be postponed.

Mr. Baldwin declared that the Conservatives could have no truck with the Bill, and moved its rejection. He denied that there was any popular demand for the Bill, or that the 1927 Act had caused any resentment in the country; the proof was that in the course of that year industrial relations had become much better than they had been for a long time before. The effect of the Bill, he said, would be to give the Trade Unions a privileged position in the State, to make them a kind of *irnperium in imperio*, and he called upon all true friends of democracy to resist such pretensions.

The views of the Liberal Party were stated by Mr. Birkett. He agreed with the Government that the Act of 1927 contained objectionable features, but he was not yet prepared to affirm that the present Bill was an improvement. He gave it to be understood that he and those who thought with him would not oppose the second reading, but he made it clear that they would insist on drastic alterations in Committee.

The debate took up three days of Parliamentary time (January 22, 27, and 28). It resolved itself largely into a discussion between legal experts on such questions as the precise definition of a "primary" strike and whether under the new Bill the great strike of 1926 would have been legal or not. Sir John Simon joined with Conservative speakers in maintaining

that this Bill would deprive the community of valuable safeguards provided by the 1927 Act. The Solicitor-General, on the other hand, expressed the opinion that the 1926 strike would have been legal under the Act of 1927 but illegal under the present Bill. A number of Labour speakers made no secret of the fact that if the Bill did not make such a strike as that of 1926 legal it would not be meeting their requirements. A welcome interlude in the legal argument was provided by Mr. Churchill with an exposure, in his most vigorous style, of the political intrigues behind the Bill, accompanied by sallies against the Premier and Mr. Lloyd George which made all England laugh. Although the critics of the Bill (among whom Mr. Birkett was one of the most devastating) seemed to have the best of the argument, the Liberals in the course of the debate hardened in their determination to give the Bill a further run. In consequence the Government secured the unexpectedly large majority of 27, the voting figures being 277 for the second reading and 250 against.

Both during the debate and afterwards, Conservative members showed great curiosity to know whether the dictum of the Solicitor-General, that under the present Bill a strike such as that of 1926 would be illegal, represented the considered intention of the Cabinet. On this point they were unable, in spite of repeated inquiries, to obtain satisfaction. The Attorney-General would not commit himself further than to say that the present Bill rendered nothing legal which the Act of 1927 had declared illegal. The Prime Minister on his side went so far as to admit that the intention of the present Bill was to render illegal the purely political strike, but he evaded the question at issue by maintaining that the 1926 strike was primarily industrial in its objects and not political.

Before the conclusion of the debate, the Prime Minister stated that the Bill would be referred for further discussion to a special Committee and not to a Committee of the whole House. The Conservatives protested energetically against this decision, which they thought would militate against freedom of discussion. The Liberals, however, sided with the Government, and on the matter being put to the vote helped it to secure a majority of 62. A further indication that they intended to save the Bill if possible was the fact that the Liberal nominees to the Committee included neither Sir John Simon nor any of his supporters.

The proceedings of the India Conference were discussed by the House of Commons on January 26. The Prime Minister opened the debate with an account of the results which had been achieved. He pointed out that the Conference had met not to frame a Constitution but to agree in advance upon the principles which should be applied to Indian government and be made the foundation of any Constitution that might ultimately be drafted ; and he maintained that in this endeavour they had been highly

successful. One principle upon which they had agreed was that there should be a Central Legislature representative of three elements—British India, the States, and the Governor-General, as representing the Crown. Another principle was that a Central Executive responsible to the Legislature should be established. A third was that certain subjects should be reserved from the control of the Legislature, and that these should include defence and external relations, and, to a lesser extent, finance and the maintenance of law and order. It remained, however, to apply these principles in practice. This was a task which he believed to be feasible, but which would certainly require much time and discussion. The question for Parliament was, therefore, whether it would instruct the Government to go on with the work by consultation with representative Indians and constitutional experts in England. The alternative, he pointed out, was repression and nothing but repression.

The Prime Minister's inquiry was answered on behalf of the Conservatives by Sir Samuel Hoare. He agreed with Mr. MacDonald that the work commenced by the Conference ought to be continued. But he was far from hopeful that it could be brought to a successful conclusion. The Conservative Party, he said, was no less desirous than any other to see an all-India Federation. But it could not consent to the abandonment by Great Britain of any of her obligations in the matter of defence, protection of minorities and so forth, and must consequently take up a somewhat critical attitude.

On behalf of the Liberals, Mr. Foot, who had been one of their representatives at the Conference, warmly congratulated Mr. MacDonald on the success he had achieved. He urged him to proceed in the same path, and to let nothing hold him back save a direct adverse vote of the House of Commons.

Sir John Simon expressed the opinion that the Conference had two really important achievements to its credit. One was that it had brought the Indian Princes into actual discussions on constitutional questions not only with British statesmen but with their own compatriots in British India. The other was that it had begun the work of bringing British politicians on the one hand and some Indian politicians on the other face to face with the stupendous difficulties of the Indian problem. In this way it had contributed to the removal of the two great obstacles to a peaceful solution of the Indian problem, namely, the suspicion and misunderstanding on both sides, and the wide divergence in their method of approach to the problems to be solved. In estimating the value of the measure of agreement actually reached, he inclined to the view of Sir S. Hoare that the filling-in of the details was all-important. The formula of responsibility with safeguards was excellent as far as it went, but everything depended on the precise nature of the safeguards,

Mr. Churchill intervened in the debate to repeat the sentiments the expression of which a few weeks before had brought down a storm upon his head (*vide* ANNUAL REGISTER, 1930, p. 96). The Government, in his opinion, was on the wrong track: it was dealing with the problem in the very worst way. The result of its efforts was that, in his own highly coloured phraseology, "appetite and demand in India had been raised to the highest pitch by sweeping concessions of principle, while rugged facts had been kept in the shade by clouds of ceremonious and benevolent generalities." Even the action of the Princes was interpreted by Mr. Churchill in a sense the reverse of reassuring: he saw in it a sign of their belief that the British *raj* would soon cease to function, and that they had better make their peace while there was still time with the revolutionary forces. He prophesied a complete severance between Britain and India if the present policy were persisted in.

Whatever body of opinion Mr. Churchill may have represented outside the House, he received no support within. A fellow-Conservative, Colonel Lane-Fox, who had been a member of the Statutory Commission, told him that he had completely ignored the realities of the situation. Mr. Baldwin disavowed him emphatically on behalf of the Conservative Party, and in order to leave no doubt on the point declared his acceptance of the principles laid down by Mr. MacDonald, and his desire to co-operate cordially with him in giving them effect. Thus the Government received a clear mandate to continue the negotiations.

Having rendered public his wide divergence from his leader on a vital question of policy, Mr. Churchill felt that it was no longer fitting for him to attend the "Business Committee" which directed the affairs of the Conservative Party. Accordingly on January 27 he wrote to Mr. Baldwin tendering his resignation from that body, though he promised still to co-operate with him wholeheartedly in combating Socialism. Immediately afterwards he associated himself with Lord Lloyd, the former High Commissioner of Egypt, in a campaign to rouse public opinion to the danger of pandering to Indian Nationalist demands. Mr. Baldwin on his side, at a Conservative meeting held on February 9, confirmed the pledge he had already given the Government. The Conservative Party, he said, welcomed the idea of an All-India Federation, and were prepared to co-operate in investigating its possibilities, though they did not yet commit themselves to any specific proposals.

By the support they gave to the Trade Unions Bill, Mr. Lloyd George and the bulk of the Liberals had made it clear that they were strongly disinclined to bring about the downfall of the Government. The Prime Minister on his side declared publicly at this time that the Government were in no hurry to depart, and would not give up office except for very strong reason. **Thus**

community of interest drew Mr. MacDonald and Mr. Lloyd George together. A real alliance between them was, however, impossible unless the Government should adopt an unemployment policy which the Liberals could conscientiously support. Once more therefore the Liberal leader began to explore the possibilities of Labour-Liberal co-operation in this field.

On January 26 Mr. Lloyd George and other Liberal members tabled a resolution calling upon the Government to raise a large reconstruction loan to be used in the manner laid down in the Liberal programme. They disclaimed any hostility to the Government in taking this step, being not without hopes that the Cabinet might be brought round to agreement with their suggestion. Mr. Snowden, however, refused peremptorily to entertain the idea of raising a loan except for objects definitely specified beforehand. The Liberals thereupon discovered that this was all which they had in mind, and that there was after all no difference in principle between them and the Government on unemployment policy. This being the case, there was no reason why they should seek to precipitate a Governmental crisis.

The path to a Liberal-Labour understanding was made smoother by the introduction, on February 2, of the Electoral Reform Bill (*vide* ANNUAL REGISTER, 1930, p. 107), universally regarded as the price paid by the Government for Liberal support. The debate on the second reading occupied two days, and was conducted throughout in an atmosphere of great listlessness. The opening speech was made by the Home Secretary, Mr. Clynes, who recommended the Bill as a measure necessary for the completion of democratic practice. On the Conservative side it was contended that there was no popular mandate for the Bill, and that the alternative vote would not in fact bring about a fairer representation of minorities than the existing system. The Bill was not without its critics even on the Labour and Liberal benches, but on a division the second reading was carried by 295 votes to 230.

Among the matters which engaged the attention of Parliament at this time was the provision of an English team to compete in the Schneider trophy air race of 1931. Finding itself unable to raise a team by its own efforts, the Royal Aero Club early in the year approached the Government with a request that it should enter an official team for the race, as in 1929. The Government refused on the ground that it did not wish to take part in an international contest, and also that it could not afford the expense. As this decision meant that Britain would not be able to take part in the competition, it caused widespread disappointment, and the Government was urged from many sides to change its mind. In response to these appeals the Prime Minister announced on January 29 that the Government would consent once again to authorise the defence of the trophy by the Royal

Air Force, and to grant assistance as in 1929, provided that the necessary funds were raised from private sources. Within a few days a sum of 100,000l. was guaranteed by Lady Houston, and the Government thereupon gave permission to members of the Royal Air Force to participate in the race.

On February 5, in the House of Lords, the Conservatives made one of their periodical attacks on the Government for its complaisance towards the Soviet. The ground of complaint this time was that it permitted the importation into Britain of Russian timber reported to be produced under "slave" conditions. In response to pressing requests both in Parliament and outside for official information on the subject, the Government had recently published a "Selection of Documents Relative to the Labour Legislation in Force in the Union of Soviet Socialist Republics." Lord Newton now, while thanking the Government for this publication, pointed out that it was not at all what had been asked for, which was a report from a British representative on conditions in Soviet Russia. However, he thought that even this collection bore out the Conservative contention that free labour in Soviet Russia no longer existed, and he considered the evidence from various sources overwhelming that timber for export was produced largely by political prisoners under conditions which would not be tolerated in any civilised State.

Lord Newton's request for an inquiry was supported by Lord Phillimore and Lord Brentford. The Bishop of Durham made an impassioned appeal to the Government to consider the moral aspect of the question, and to do something to dissociate the country from the abominable proceedings which were unquestionably going on in Russia. Lord Ponsonby in reply admitted that there were "suspicions" of foul play in Russia, but he maintained that the data were not sure and authentic enough to provide a basis for action. The British Ambassador in Moscow had asked whether an inquiry might be conducted into the timber industry in Russia, but the Soviet Government had naturally resented the suggestion, as derogatory to its sovereign rights. In conclusion the Minister pointed out once more that the Government was anxious above all things to bring Russia into the comity of nations, and that its task was not made easier by such remarks as they had heard in the present debate—an argument that was immediately laughed to scorn by Lord Hailsham.

The Government experienced no great difficulty with its Marketing Bill, the second reading of which was moved by the Minister of Agriculture on February 9. According to Dr. Addison, there was in England in the process of bringing agricultural products to markets a good deal of waste which was avoided in other countries through better organisation. He proposed therefore to take powers to himself which would enable him to bring pressure to bear on producers who obstructed schemes of

marketing co-operation likely to benefit an industry as a whole. Both Conservatives and Liberals expressed apprehension at the proposed extension of the Minister's powers, and the former tried to add to the Bill a provision imposing restrictions on the sale of foreign produce. This amendment was rejected by 258 votes to 213, and the Bill was then read a second time.

Two days later (February 11) the Conservatives in the House of Commons tried to call the Government to account for its failure to keep down public expenditure. Sir L. Worthington-Evans, in moving the vote of censure, declared that the increase of taxation necessitated by the costly projects of the Government was destroying confidence in the industrial world and so preventing a revival of trade and increasing unemployment. The chief point in his indictment was the reckless borrowing of the Government, and he supported this charge by quotations from a memorandum submitted a couple of weeks before by a high official of the Treasury to the Unemployment Insurance Fund Commission, with the full approval of the Government. It was here stated that " continual State borrowing on the present vast scale without adequate provision for repayment by the Fund would quickly call in question the stability of the British financial system. The borrowing for purposes other than productive was now on a scale which in substance obliterated the effect of the Sinking Fund, and was a sign of an unbalanced Budget." On these grounds he could not believe that the Government was capable of restoring confidence either at home or abroad.

Mr. Snowden in his reply ridiculed the pretensions of the Conservatives to be the champions of economy. He pointed out, as Mr. Churchill had done in his time, that expenditure depended to a preponderating extent on policy, that policy was fixed by Parliament, and that on the major items of policy, especially the extension of the social services, all parties had been so far agreed. The present Government had inherited a vast legacy of commitments from its predecessor, and in addition it had had to contend with a " trade blizzard " of unprecedented fury.

Having proceeded so far in the conventional strain of party controversy, amid the plaudits of his own followers, Mr. Snowden suddenly changed his tone to that of the statesman concerned only for the country's welfare. The national position, he said, was grave—so grave that drastic and disagreeable measures would have to be taken if Budget equilibrium was to be maintained and industrial progress to be made. He did not think that further direct taxation would help them much. In fact, an increase of taxation falling on industry might be the last straw. Schemes involving heavy expenditure, however desirable, would therefore have to wait until prosperity returned. He declared that this was necessary in order to uphold the present standard of living,

and that no class would ultimately benefit more from present economy than the wage-earners. But the present crisis could not be got over without a very great effort, which would involve some temporary sacrifices from all, and the largest from those best able to bear them.

The latter part of Mr. Snowden's speech was welcomed by the Conservatives as a frank admission of facts which they had been trying to bring home to the Government, but which so far it had not been willing to face. Although the motion of censure was defeated by 75 votes, they felt that they had gained a moral victory. The effect on the Labour Party was correspondingly depressing. They were especially concerned at Mr. Snowden's reference to " sacrifices " ; and the trade union leaders, though they did not intervene in the debate, lost no time in making it clear that if he should demand sacrifices from the working classes, he would meet with their uncompromising opposition.

Close on the heels of the economy debate came the Liberal motion on unemployment which was to usher in a new term of co-operation between the Liberals and the Government. On February 11 Sir Herbert Samuel moved a resolution which in effect called upon the Government to carry out by means of a national development loan the scheme of public works laid down both in the Liberal Yellow Book and in " Labour and the Nation." He laid stress on the fact that these schemes were in their nature productive, and therefore did not conflict with the policy of economy which had been advocated on the previous day. The Prime Minister agreed with him that capital expenditure on national development was true economy. He now found the motion to be entirely in consonance with the Government's policy, and had no hesitation in accepting it, with the proviso that no loan should be floated except for a definite scheme approved by the Government.

The motion met with very little opposition and was carried without a division. Mr. Lloyd George, however, looking further afield, saw that the great obstacle to the execution of the schemes would be the opposition of the financial interests, and he warned the Chancellor of the Exchequer betimes. In order to drive the lesson home, he made a trenchant attack on the " City " which greatly delighted Labour members and did something to lift them out of the despondency into which they had been cast by Mr. Snowden's speech on the previous day. He urged Mr. Snowden not to be frightened of the City of London. Since the war the City had been invariably wrong in the advice it had given. Among the mistakes due to its advice were rapid deflation, the settlement of the American debt, and the precipitate establishment of the gold standard. Now the " money barons " were using the whole of their influence to restrict the raising of money for national development. They had also a political bias ; they

had always been against a progressive Government, and tolerant of the faults of a reactionary Government. He therefore urged the Government not to run away the moment a few volleys were fired from the City of London, and promised them the support of the Liberal Party if they would go forward boldly and do all that was implied in the motion.

As one means of promoting economy, the motion called upon the Government to appoint a special committee to formulate suggestions, after the model of the Geddes Committee of 1922. Mr. Snowden treated the proposal with good-humoured contempt, saying that another committee would do no harm though he could probably write the report of this one beforehand. However, as the Liberals persisted in their request, the Prime Minister promised to comply.

Whatever might be the Government's plans for national economy or national development in the future, its immediate concern was to maintain unimpaired the payment of unemployment benefit. For this purpose it had for some little time been borrowing on behalf of the Unemployment Insurance Fund at the rate of a million sterling a week, with the result that the indebtedness of the Fund was now dangerously near the statutory limit of 70,000,000/. fixed in the previous December. Once more therefore, on February 16, the Minister of Labour requested the House of Commons, first of all by a money resolution, to extend her borrowing powers, this time not by ten but by twenty millions, and also to prolong the period of transitional benefit for six months, and not for three, as on previous occasions, at an estimated cost to the Treasury of 13,000,000l. Labour members welcomed the request for increased provision, as a sign that the Government had no intention of altering the conditions of benefit at least for some considerable time. The Conservatives, on the other hand, objected to the removal of the Fund from the control of Parliament for longer than was absolutely necessary, and accordingly moved that the borrowing should be limited to ten millions and the extended transitional period to three months. This motion was defeated by 251 votes to 220, after the Minister had explained that the reason why six months was asked for instead of three was to allow time for the Government to receive and consider the report of the Unemployment Fund Commission.

When the Unemployment Insurance Bill itself was brought forward, the Conservatives ventured to move its rejection on the second reading (February 18). Mr. Churchill was again in a witty mood, and giped at the Government as having proved its Socialism by paying "for the longest time in the loosest fashion the largest doles to the largest number." He also made a vigorous rejoinder to Mr. Lloyd George's attack on the City, pointing out that there was scarcely a leading bank which had not one of Mr. George's " money barons " on its board of directors.

Mr. George was again indulgent to the Government. He said that his first impulse had been to regard it as asking too much, but his view had been changed by the facts presented by the Minister of Labour, especially by what she had said regarding the Royal Commission. The second reading was ultimately carried by 279 votes to 219, and the remaining stages were passed without opposition.

The speech of the Minister of Labour in introducing the Unemployment Insurance Fund Bill did much to reassure the members of the Labour Party who had been alarmed by Mr. Snowden's danger signal; and their apprehensions were finally set at rest on February 17 by Mr. Snowden himself. Addressing a meeting of the party which had been called specially to consider his speech, he informed them that he had no intention whatever of interfering with the existing outlays on social services, particularly on unemployment insurance. His warnings had reference to new schemes which might be suggested; these, he feared, could not be favourably considered, however desirable they might be in themselves. A few days later he completely reinstated himself in the good graces of his party by declaring, in a speech in his constituency, that the last thing he would think of advocating as a remedy against the trade depression was a reduction in wages.

Only in one quarter was Mr. Snowden taken at his word. Fortified by his declaration, the House of Lords had no longer any hesitation in dealing cavalierly with Bills involving any public expenditure which was not absolutely necessary. The first case in point was the Education Bill, which was discussed by them on February 17 and 18. Lord Hailsham, who led the attack on the Bill (having taken the place of Lord Salisbury as Conservative leader), declared it to be educationally unsound, but he based his plea for its rejection outright on its extravagance and wastefulness. The Archbishop of York pleaded that at least it should be given a second reading, to show that their Lordships approved of the principle of raising the school age. The House, however, was in no mood for compromise, and rejected the Bill on the second reading by 168 votes to 22.

With the Land Utilisation Bill, which came up for second reading on February 24, the House of Lords dealt more warily. Lord Treowen, it is true, moved its rejection on behalf of the Landowners' Association, and with the support, as he claimed, of every organisation in the country which had anything to do with land. Other Opposition speakers, however, maintained that the principle of the Bill was good, although the financial clauses might be objectionable. On the advice of Lord Hailsham, therefore, the Conservative majority decided to give the Bill a second reading, in the hope that the House would be allowed to amend the financial clauses in Committee, and to await a more favourable occasion for throwing down the gage to the Government.

By this time the Standing Committee which had been appointed to consider the Trade Unions Bill had commenced its labours. The Conservative members at the outset tried once more to find out from the Attorney-General whether the Bill would legalise such a strike as that of 1926, but again they obtained in answer nothing but evasions. Their own definition of a general strike which they sought to insert in the Bill was rejected by the other parties. The Liberals then, on February 26, brought forward their definition. This was couched in terms of which not even all Liberals approved, and to which the trade unionists objected violently—so much so that they declared they would rather have the law as it stood than as it would be with this clause. The Attorney-General also called the motion a wrecking amendment. Nevertheless the Liberals refused to withdraw it. They naturally had the wholehearted support of the Conservatives, and between them they carried the amendment in the teeth of the Government by 37 votes to 31.

To the general surprise the Government made very light of this setback. The Prime Minister at first announced that it would make no difference to the Government's plans, and that the Bill would be proceeded with as if nothing had happened. On this decision the Trade Unions laid a peremptory veto, declaring that on no account would they accept the Bill if the Liberal amendment were allowed to stand. Thereupon the Attorney-General, at the next meeting of the Committee, formally obtained permission to withdraw the Bill.

Another and greater surprise now awaited the public in the fact that this step was followed by no recriminations and no breach between the Government and the Liberal Party. The reason was—as transpired soon after—that the Government had been a not unwilling party to the slaughter of the Bill. The Liberals, before bringing in their amendment, had submitted it to a member of the Cabinet and to the Attorney-General, and had obtained their consent to move it. Their purpose was only to lay down once for all that in any strike the interest of the community must be paramount, and they were prepared to accept any form of words which would make this clear. They were themselves somewhat surprised when in the discussion they were met by the Attorney-General with a blank negative. By taking this course, he had ensured the carrying of the amendment as it stood ; and thus the responsibility for the killing of the Bill fell upon the Government and not the Liberals.

Whatever may have been their sentiments towards the Bill, the Government showed no disposition to quarrel with the Liberals for their treatment of it. They even forbore to make the reprisal which lay ready to hand. Contrary to general expectation, the Electoral Reform Bill was not allowed to perish with the Trade Union Bill, but was immediately brought into Committee on the

floor of the House. This step, to all appearance, set the seal on the Liberal-Labour *rapprochement*, and established it as a dominating factor in political life for the time being. The Government in consequence seemed to be more firmly seated in the saddle than at any time since its accession to power, and the Prime Minister was able to speak with some confidence of remaining in office for a couple of years.

The devices by which the Government retained the support of the Liberals were naturally viewed with repugnance by a large number of their followers, and placed a severe strain on their loyalty. At the end of February Sir. O. Mosley, whose allegiance had long been wavering, considered the time ripe to break away from the Labour Party, and he accordingly resigned his membership of that body, and announced the formation of a new party which should pursue the programme laid down in his manifesto of the previous December (*vide* ANNUAL REGISTER, 1930, p. 103). He was immediately joined by five other members of the Labour Party. Their action was strongly condemned in their constituencies, but they did not think it incumbent on them to resign their seats in Parliament.

Another critic of the Government who translated his convictions into action was Sir Charles Trevelyan, the Minister of Education, who on March 2 resigned his office and his seat in the Cabinet. In a letter to the Prime Minister he stated that for some time he had been much out of sympathy with the methods of the Government, since, as time went on and the situation grew worse, it showed less and less intention to rely on Socialism for the salvation of the country. In particular, he saw no prospect for advance along the line which had been laid down for education in "Labour and the Nation," and therefore he did not wish to be any longer responsible in part for a general policy which he regarded as ineffective. A few days later Lord Arnold, the Paymaster-General, also resigned, ostensibly for reasons of health.

At this juncture the credit of the Government, which its home policy had reduced to a low ebb, was to some extent restored by a brilliant stroke in the field of foreign affairs. Ever since the close of the Naval Conference in March, 1930, an official of the Foreign Office, Mr. Craigie, had been carrying on discussions with the French Foreign Office with the object of bringing about some agreement between France and Italy in the matter of naval limitation. After nearly a year's labour on his part, such an agreement was actually in sight, but the two countries were still hesitating to commit themselves definitely. At the critical point Mr. Henderson, the Secretary for Foreign Affairs, formed a sudden decision to try the effect of personal intervention. Almost at a moment's notice he left London on February 23, in company with Mr. Alexander, the First Lord of the Admiralty, in order to interview M. Briand in Paris. Having come to a

tentative agreement with the French Government, Mr. Henderson and Mr. Alexander proceeded on the next day to Rome, where they had an equally successful interview with Signor Mussolini. The fruit of their efforts was soon after seen in the announcement that France and Italy were prepared to accede to the Naval Pact concluded in the previous year and so complete the work of the London Naval Conference.

Mr. Henderson's achievement was greeted with a chorus of praise from all parties in England. On his return to London on March 2, he stated that he and his colleagues were much gratified with the results of their visit to Paris and Rome, in which he saw a further proof of the value of personal contact between responsible Ministers. He laid stress on the political value of the agreement, which would prevent a renewal of competition in naval armaments just when it had become most imminent. The immediate effect of it would be that Britain, France, and Italy would enter the Disarmament Conference in the closest friendship, and that without making any pact whatever against any other country.

The precarious peace in the coal-fields was gravely endangered by a decision of the Miners' Federation on March 20 to veto all spread-over arrangements as from March 31. Their chief reason for this step was a desire to deprive the employers of a possible point of vantage in the tussle that would ensue after June 30, when the Eight-Hour Day Act lapsed. Fortunately the peace of the coal-fields was not upset, as in Scotland, where spread-over arrangements had been made, the veto of the Federation was ignored, and in some other districts the men consented to accept reductions of wages.

At the same time the Miners' Federation sought to assert in another and far more decisive fashion the rights of the mining population. It laid before the Minister of Mines a proposal—which was in effect a demand—for a Bill which would secure to all miners a minimum wage not less than they were receiving in 1914, with allowance for the increased cost of living. Mr. Shinwell brought the proposal before the Cabinet, and the Federation was invited to send a deputation to the Prime Minister on April 30. In the meantime it laid its proposals before a meeting of Liberal members of Parliament, who received them, as it was reported, very sympathetically. At the interview on April 30, the Prime Minister was accompanied by a number of other Ministers, and they also gave a very sympathetic hearing to the miners' proposals. They did not indeed make any definite promise, but they consented to the formation of a committee representative of the Government and the executive of the Miners' Federation to examine the position further.

On February 18 a Supplementary Civil estimate to the amount of 1,858,500l. was issued. Two of the items were not passed by the House of Commons without a sharp debate, since though not

serious in themselves they seemed to involve important matters of principle. One was a sum of 6,600Z., representing the extra cost of members' railway vouchers over and above the original estimate of 35,000?. In the course of the debate (February 24), the question was raised why the free passes granted to members should be first class and not third class. It was pointed out that members had here a fine opportunity of giving an example of the economy which they preached. In the end, however, they decided that their own comfort was of prior importance, and that the expense was justified.

The other debate, on March 14, took a turn much more serious for the Government. It arose out of the proposal to appoint a civil servant, Sir E. Gowers, as chairman of the Mines Reorganisation Commission at a salary of 7,000?. a year plus allowances. Conservatives complained loudly that the Minister of Mines had misled the House by stating in the debates on the Coal Bill that the post would be only a part-time one with a moderate salary, and Labour members protested that in any case the salary was far too high ; while on all sides the appointment of a civil servant to such a post was strongly criticised. The defence made by the Minister of Mines was so unconvincing that one Labour member attributed the appointment to the influence of a " hidden hand " which was forcing the Labour Party to act against its principles. A number of Labour members either voted against the Government or abstained, with the result that the estimate was passed by a majority of five only.

The estimates for the coming year published early in February showed a slight decrease in military and a great increase in civil expenditure over that of the previous year. The Army estimate was for 39,930,000?., or 570,000l. less than in the preceding year ; the Navy estimate for 51,605,000?., or 342,000l. less ; and the Air estimate for 21,297,200l., or 250,000l. more ; so that there was a reduction in the whole of the military estimate of 662,000?. The Civil estimates, on the other hand, showed an increase of no less than 22,000,000?., so that in the total amount required for the Defence Forces, the Civil estimates, and Customs, Excise, and Inland Revenue there was an increase of 21,106,664?. over the comparable figures for the last Budget.

In introducing the Army estimates on March 10, Mr. Shaw, the Minister for War, stated that the saving effected was rendered possible only by the great fall in the cost of living, and was not due to any reduction in establishment. Other nations, he said, were not reducing their armies, and Britain could go no further in the direction of unilateral disarmament. This statement disappointed the pacifists, as did also his decision to continue the Government grant to the Officers' Training Corps in schools. He justified this step on the ground that he could not ignore the representations of the headmasters, and he sought to make it innocuous

by raising the age of recognition from 13 to 15. The pacifist group moved as usual that the army should be practically disbanded, and secured 19 votes for their resolution.

In the debate on the Naval estimates (March 11), the First Lord of the Admiralty half apologised for not having procured a saving of more than 342,000*l.* on the figure of the previous year. The chief reason was that he had had to start this year from a basis of his own estimates, which had already been severely trimmed, and not from those of a Conservative Government. Besides having little room for economy, he had also been deprived this year of some valuable special receipts, such as the Malayan contribution to the cost of the Singapore base. He had, however, been able to profit by the increased purchasing power of the pound, and as a result of the London Naval Treaty he had felt justified in making a further fairly heavy reduction in personnel. From the same cause a certain reduction could also be made in the expenditure on new construction ; while the recent Franco-Italian agreement had removed the danger of a new competition in naval armament.

Mr. Amery congratulated the First Lord on the part which he had played in bridging over the difficulties between Italy and France, but expressed apprehensions lest Britain might not have to pay something in security for the settlement arrived at. He pointed out that, if the Government adhered to its present rate of naval construction, the country by 1936 would not have anything like the seventy under-age cruisers which it was allowed under the Treaty of London—a complaint which found some echo on the Liberal benches also. A pacifist motion to reduce the personnel of the Navy by 90,000 received 11 votes.

In introducing the Air estimates (March 17), the Secretary, Mr. Montague, claimed credit for his department also for having exercised the most rigid economy. In spite of the continuous growth of the Air Force, the sum asked for was only two-and-a-half millions above the estimate of 1923, and actually less than that of 1925. In the same period, he pointed out, there had been huge increases in the air expenditure of France, Italy, and the United States. Britain had profited by the reduction of the garrison in Iraq, but nevertheless her expenditure would have been much larger had she not been content with a very moderate expansion of her Air Force ; so much so that in 1931 there would be ten squadrons fewer than the original scheme authorised for completion by 1930. This Government, like its predecessors, justified the comparatively slow rate of progress on the ground that a major war was a remote possibility ; it had no desire to indulge in a race in air armaments, and looked for better results to international understanding.

On behalf of the Conservatives Sir S. Hoare congratulated the Under-Secretary on continuing the programme of develop-

ment, civil and military, which he found in existence when he went to the Ministry. He did not conceal his anxiety at the fact that Britain was only fifth in the list of air powers, although it had more to lose by air attack than any great country in Europe. Nevertheless he did not urge any quickening in the rate of expansion, but joined with the Minister in looking to international understanding to bring about a general reduction in air armament.

At this time the Conservative Party was once more in the throes of a crisis over the question of leadership. The "Press lords," Lord Rothermere and Lord Beaverbrook, who had never abated their hostility to Mr. Baldwin, had once more opened a campaign against him, and in London at any rate they were not without a considerable following. At a by-election in East Islington they put forward a candidate who secured more votes than the official Conservative, and so effectively split the Conservative vote as to rob the party of victory. Shortly afterwards, at a by-election in St. George's, Westminster, a candidate came forward who made the question of Mr. Baldwin's leadership the main issue of the election. The challenge was all the more serious in virtue of the fact that the candidate, Sir Ernest Petter, was a prominent industrialist who only shortly before had declared himself a wholehearted supporter of Mr. Baldwin. Though he fought on his own initiative, he naturally had the enthusiastic backing of the Press lords. For some time the Conservative headquarters could not induce anyone to take the field against him; the task was at length undertaken by Mr. Duff Cooper, one of the most prominent of the younger Conservatives, who had already been selected for another constituency.

The chief ground of discontent with Mr. Baldwin was his refusal to commit himself definitely to the policy of food taxation. But on the question of India also a great many Conservatives were in doubt whether to follow him or Mr. Churchill. An attempt was made to raise prejudice against him by means of a report that he had committed the Conservative Party to a policy of surrender and withdrawal. This he indignantly denied at a speech made on March 6, but at the same time he repeated his pledge that he would make an honest attempt to carry on the work of the Conference.

The divisions within the party on this matter were brought to a head by the announcement on March 5 of the terms of the agreement between the Viceroy and Mr. Gandhi. The more extreme members of the party saw in this a proof that it was hopeless for them to try to co-operate with the Government in the solving of the Indian problem. Mr. Baldwin was of a different opinion, and strongly deprecated any attempt to turn Indian affairs into an issue of party politics at home.

The matter was thrashed out in the House of Commons on March 13. Though ostensibly called for by the Conservatives

to discuss the agreement with Gandhi, the debate in effect resolved itself into a meeting of the Parliamentary Conservative Party, with the other two parties present as interested auditors. Mr. Baldwin, who opened the discussion, addressed himself almost from the outset not to the House but to his own followers. He reminded them that the Empire, in which they professed a peculiar interest, was a living organism which could not be stereotyped at any one stage. For that reason the Conservative Party had entered the Conference, and for that reason it was still abiding by the declarations which had been made on its behalf as to its willingness to co-operate in continuing the work of the Conference. They would not, it was true, at the present juncture consent to take part in a conference in India, but they would view without prejudice the resumption of the Conference in London. He deprecated all talk of "surrender" or "victory" in reference to the Viceroy's agreement with Gandhi, which he represented as a triumph of common sense. He maintained that British rule in India could be preserved only on a basis of co-operation and goodwill, supporting his view with quotations from a speech made by Mr. Churchill after the Amritsar shooting in 1920. It was therefore absolutely essential that the Conservative Party should co-operate with the other parties in seeking a solution to the Indian problem, and should be prepared to make concessions to Indian nationalism in no grudging or niggardly spirit. If the majority of the party did not agree with him in this view, then they should choose another leader.

Mr. Baldwin's statement was received on the Conservative benches with an applause which showed at once that he had won the day. Even Mr. Churchill was constrained to bow to the prevailing wind. He admitted with some bitterness that the events which had happened since the last Indian debate six weeks before had given cause for congratulation to those who were eager to establish an All-India Federation with responsible Government, the whole as precursor to full Dominion status. Prominent among those events was the declaration of Mr. Baldwin that the Conservative Party if returned to power would consider it a duty to try to complete the work of the Round Table Conference. Much as he differed from the Conservative leader in his attitude towards Indian nationalism and in his estimate of the Viceroy's action, he was in agreement with him in regard to the practical steps to be taken at the moment; and he derived consolation from the fact that at any rate the Conservative Party would send no representative out to a conference in India, and so would be in no danger of being rushed into courses of which it did not approve.

A few days later, a meeting of the Parliamentary Conservative Party formally approved, with a handful of dissentients, Mr. Baldwin's Indian policy. Thus the attack made upon his leadership from one side was repelled. On the other side also he asserted

himself with equal vigour and success. By a strange irony the constituency of St. George's, Westminster, the home of the most staid and dignified Conservatism, became the theatre of a campaign of unusual scurrility, instigated not by Communists or Socialists, but by titled Conservatives. The virulence of the attack on Mr. Baldwin produced a reaction in his favour, and many who were not too well disposed towards him resented strongly the methods by which the Press lords sought to bring about his deposition. The official Conservative candidate received offers of support from persons of all shades of opinion, including Liberals and Socialists, who saw in the Press campaign against Mr. Baldwin a menace both to political liberty and to the decencies of public life.

To drive home this counter-offensive, Mr. Baldwin himself broke through the rule that a party leader should not speak publicly in a by-election campaign. A couple of days before the election (March 17), he addressed a meeting of electors at the Queen's Hall, and turned on his detractors with a fierceness and vehemence reminiscent of the controversial style of a much earlier period. He stigmatised the papers conducted by Lord Rothermere and Lord Beaverbrook as being not newspapers in the ordinary acceptance of the term, but as engines of propaganda for the constantly changing policies, desires, personal wishes, personal likes and dislikes of two men. Their methods, he proceeded, were direct falsehood, misrepresentation, half-truths, the alteration of the speaker's meaning by publishing a sentence apart from its context, suppression and editorial criticism of speeches not reported in the paper—methods hated alike by the public and the whole of the rest of the Press. Another weapon which they used was personal insinuation of an offensive kind. What the proprietors of these papers were aiming at was power, and power without responsibility—the prerogative of the harlot throughout the ages. They had thrown down a challenge to the accepted constitutional Parliamentary system, a challenge like that of the General Strike. It was a challenge which had to be accepted, since surrender would kill any party that bowed down to such tyranny.

The result of the election was a victory for clean politics and Mr. Baldwin's leadership, but not so decisive as the friends of either could have wished. Mr. Duff Cooper obtained a majority of over 5,000, but his opponent polled more than 11,000 votes, a figure which showed that the Press lords could command a considerable following and were a force to be reckoned with. Hence their further decisions were awaited with some trepidation by the official party headquarters.

While this election was in progress, the House of Commons had been debating in Committee the Electoral Reform Bill. At first all seemed to go well for the cause of Liberal-Labour

co-operation. On March 4 the clause instituting the alternative vote was discussed. The Conservative opposition was reinforced by a number of left-wing Labour members, and several others of the same party abstained from voting, in spite of the fact that the Prime Minister on the previous day at a party meeting had made a special appeal for loyal support. The Liberals, however, voted solidly for the clause, and so enabled the Government to obtain a majority of 26. Thus the possibility of Liberal-Labour co-operation seemed to be fully demonstrated, and the prospect of the Government remaining in office for some time to be assured.

But a few days passed, however, and the position of the Government was once more undermined. Mr. George's followers had not forgotten that they had reserved the right to exercise their own judgment, and they soon found occasion to use it in a manner as disconcerting to the Government as it was unexpected. One of the provisions which had been inserted in the Electoral Reform Bill to placate the Labour Party was the abolition of separate representation for the Universities. At a meeting of the Liberal Parliamentary Party it was decided by a majority that this clause should be supported. In the debate on March 16, Lord Hugh Cecil led the attack on the clause with a speech of great dialectical skill in which he pointed out that equalitarian democracy—that is, the theory of "one vote, one value"—had never worked, and could not work under a system of geographical constituencies. The ideal was, as Burke had laid down, that the House of Commons as a whole should represent the sense of the community; and on that ground, he maintained, no part of the realm had a better right to representation than the Universities. Lord Hugh was supported by one or two Labour speakers, and their example encouraged a number of Liberals to defy the party decision and vote against the clause, which in consequence was negatived by 246 votes to 242.

While this defeat injured the prestige of the Government, it did not affect the relations between Mr. MacDonald and Mr. Lloyd George, and both at once exerted themselves to retrieve the set-back which their designs had suffered. The Prime Minister once more made a strong appeal to the members of his party to show greater loyalty to the Government. Mr. Lloyd George on his side, while recognising that he had little chance of leading a united party, cherished hopes of being able to form a Liberal phalanx which could be relied upon to support the Government in carrying out an agreed policy; and he at once entered into discussions with the Prime Minister with the object of formulating such a policy.

After more than a week of discussion, Mr. Lloyd George found himself once more unable to agree with the Prime Minister on any definite political programme. The announcement of his

failure on March 22 produced a new crisis in the Liberal Party which led to a further disintegration of its ranks. At a party meeting held on March 24, Mr. Lloyd George proposed that the Liberals should continue to co-operate with the Government on much the same terms as before—that is, that they should support all its measures which did not bear a definitely Socialist complexion, with a view to keeping it in office for another twelve or eighteen months. He carried with him only thirty-three members of the party. Of the rest, some, led by Sir John Simon, announced their intention of actively opposing the Government, while the others expressed themselves as willing to support it only as long as it pursued a genuinely Liberal policy. Two days later (March 26), Mr. Lloyd George addressed a meeting of Liberal candidates, and induced them to adopt a formal declaration embodying his policy.

On March 5 the National Wages Board for the railways issued its decision on the wage proposals of the companies. It recommended that there should be a general reduction of wages and salaries by $2\frac{1}{2}$ per cent., and a reduction of a further $2\frac{1}{2}$ per cent, on wages over 40s. per week and on salaries over 100L per year ; in no case, however, was the reduction to exceed 6s. a week on wages or 15l. a year on salaries, and earnings were not to be reduced below base rates. Reductions were also recommended in the rates of pay for overtime and night and Sunday duty. The representatives of the men on the Board added a rider to the effect that in their opinion the inquiry had clearly revealed the necessity for further action, especially in the way of increased co-ordination between the various railway groups.

The companies made no demur to the findings of the Board, although the reductions recommended were not likely to produce anything near the saving which they required. The men's unions at first made a great outcry and showed a strong disposition to defy the award. On further reflection, however, realising that the alternative was a struggle which might cripple the railways, they swallowed their objections and one by one accepted the new terms.

On March 9 Mr. Henderson, the Secretary for Foreign Affairs, asked the House of Commons to approve the accession of Great Britain to the General Act for the Pacific Settlement of International Disputes drawn up by the League of Nations Assembly in September, 1928. He represented this step as the logical complement to Britain's adhesion to the Pact of Paris and her acceptance of the Optional Clause. Under the Pact Britain had undertaken never to settle its disputes by other than pacific means. The Optional Clause did something to organise those means, but it dealt only with justiciable disputes and disputes legal in their character. An arbitral machinery was required also for non-justiciable disputes, and this was provided by the General Act.

In addition to this general reason, there was also a special reason for Britain's accession to the Act at this juncture, in the bearing that it might have on the prospects of the forthcoming Disarmament Conference at Geneva.

Sir A. Chamberlain opposed the motion on the ground that the General Act diminished the authority of the Council of the League of Nations and substituted a procedure tending to encourage international disputes. While declaring that the Conservative Party had no more desire than the Government to seek a solution of any difficulties in war, he maintained that the methods which the Government now asked them to adopt were not well adapted to serve the purpose which was common to them both. The Conservatives did not share the view that the Pact of Paris was imperfect, and that it required to be buttressed by other documents. They considered this multiplication of documents to be not only unnecessary but also dangerous, because it gave opportunities for frivolous complaints which were likely to increase instead of diminishing the causes of friction.

Sir A. Chamberlain's arguments did not impress the Liberal and Labour Parties. Sir H. Samuel maintained that if the House rejected the General Act the international machinery of peace would be left patently incomplete, and other countries would think that Britain had some sinister purpose which she was ashamed to confess. Even the Conservatives were far from united in support of Sir A. Chamberlain, and his motion for refusing to accept the Act was defeated by 231 votes to 139.

In the course of the India debate on March 13, the Secretary of State for India made a statement on the further steps contemplated by the Government. The plan of sending out a Parliamentary delegation to India to reconstitute there the Round Table Conference was, he said, one which had obvious recommendations. These, however, were outweighed by certain practical drawbacks, one of which was the difficulty of securing an adequate Parliamentary delegation. It was the Government's desire to establish contact with the Indian side of the Conference in the most convenient form at the earliest practicable date, and with this end in view Indian delegates, including representatives of Congress, would be invited to come to London, as soon as they were ready, to resume the work of the Federal Structure Committee. In the meanwhile expert investigation of the problems recommended by the Round Table Committee would be undertaken in India, and by this means the whole problem, they hoped, would be ready for final discussion early in the autumn, when they would meet again at the Round Table.

The Prime Minister, in concluding the debate, maintained that the great majority of all parties were united in support of the Round Table Conference and in approving its methods and spirit. The Government, he said, would do everything it could

to maintain co-operation with the other parties in dealing with India. It would not, however, require of them more than to provide independent advisory bodies ; all decisions would be taken by the Government on its sole responsibility, and would be subject to the criticism of Parliament.

The Indian situation was further discussed in the House of Lords on March 18. Lord Marlborough, a kinsman of Mr. Winston Churchill, drew attention to what he called " the increasing gravity of the situation " in India, and expressed the view that the Round Table Conference had produced an " adverse effect." The debate which followed served to show that the desire for co-operation between the three parties in handling the Indian problem was not less strong in the Upper than in the Lower House. The Lord Chancellor repeated the assurances of the Prime Minister that the Government would insist on adequate safeguards, and declared once again that the conclusions of the Conference were designedly provisional though they had shown that all the problems raised were soluble. Lord Peel stated that the Conservatives still believed in co-operation, though that did not mean unquestioning acceptance of everything the Government might do. Lord Reading took Lord Peel's speech as proof that there was no substantial difference between the political parties on the question. Lord Lloyd warned the Government not to take the ultimate decision out of the hands of Parliament, but subject to this proviso even he did not rule out the possibility of co-operation. Meanwhile his associate, Mr. Churchill, continued to agitate against the continuation of the Conference. On the very night of this debate he addressed a mass meeting organised by the Indian Empire Society—a body composed mainly of ex-Indian officials—and bitterly upbraided the Conservatives for joining with the Socialists in a policy of surrender to Indian nationalism.

On March 17 the Prime Minister announced the appointment of the new Economy Committee which he had promised a few weeks before to set up. It was to consist of seven members under the chairmanship of Sir George May, and its terms of reference were to be substantially the same as those of the Geddes Committee of 1921—viz., it was not to deal directly with questions of policy, but it was to indicate what economies might be effected if certain policies were adopted, abandoned, or modified.

In the House of Lords, on March 19, a complaint was raised by Lord Radnor that the British Broadcasting Company gave undue facilities for Socialist propaganda. The specific instances adduced by the speaker were not of great importance and at the worst could be explained as due to errors of judgment. Lord Crawford asserted that the tone of broadcasting in Great Britain was immensely higher than in the United States, and its standard of efficiency higher than in any other country. Lord Gainford,

as one who had been associated with the B.B.C. for many years, denied emphatically that it had an editorial view, and maintained that it tried to do justice to all parties and all points of view. The proof of their success was that of thousands of letters which they received, only a small percentage were critical of the matter broadcast.

As a result of the resignations from the Cabinet and the death which took place soon after of Earl Russell, the Under-Secretary of State for India, and of Mr. Vernon Hartshorn, the Lord Privy Seal, a number of Ministerial changes and new appointments were made in March. Sir C. Trevelyan was succeeded at the Board of Education by Mr. Lees-Smith, the Postmaster-General, whose place was taken by Major Attlee. Lord Ponsonby became Chancellor of the Duchy of Lancaster in place of Major Attlee, and Earl Russell's position was filled by Mr. Snell, who at the same time was raised to the peerage. Mr. T. Johnston succeeded Mr. Hartshorn as Lord Privy Seal, and Mr. Herbert Morrison, the Minister of Transport, was given the place in the Cabinet vacated by Lord Arnold.

On March 23—immediately after his promotion to Cabinet rank—Mr. Morrison moved the second reading of the Bill for co-ordinating London passenger traffic on which he had been so long engaged. That co-ordination was urgently required was common ground with all parties, but the search for a method raised the thorny issue of public or private ownership and control which so far had defied all efforts to secure agreement. Mr. Morrison himself, as a champion of public ownership and control, had been largely responsible for the rejection of two Conservative schemes dealing with the subject. His own plan now proved to be a combination of public ownership with private management similar to that already adopted for electricity supply and broadcasting. He proposed to set up a Board of five members, appointed by the Minister in consultation with the Treasury, to which should be transferred the control of all the passenger-carrying agencies in the London area, whether omnibus, tube, or railway, after they had been bought up by the State. The members of the Board would receive such salaries and fees as the Minister might direct; they were to take over the officers and staffs of the existing transport undertakings, and manage them in such a way as to secure an adequate and properly co-ordinated system of passenger transport in the London area. The Board would be expected to pay its way and not to depend on any subsidy from the State or from local authorities. The area envisaged was that contained within a radius of twenty-five miles from Charing Cross, and the amount of capital involved in the undertakings to be transferred was estimated at 130,000,000l.

On behalf of the Conservatives, Sir P. Cunliffe-Lister moved the rejection of the Bill, partly because it meant the nationalisa-

tion of London traffic, partly because it vested bureaucratic powers in the Minister. On the latter ground it was criticised both by Liberal and Labour speakers, but as they reserved their more active opposition for the Committee stage, the Unionist amendment was negatived by 271 votes to 224.

The agreement made on March 5 between the Viceroy of India and Mr. Gandhi was naturally hailed with satisfaction by the Government and by those who supported its Indian policy. The Lancashire textile exporters also cherished hopes that it would bring about a cessation of the boycott of British cotton goods which had been in force since the previous July. In this they were disappointed; the boycott continued to be enforced as strictly as ever. An appeal for help to the Government having produced no effect, on March 25 a number of Lancashire members called attention in Parliament to the very serious loss which had been inflicted on Lancashire by the boycott, and asked if the Government intended to take any steps to put an end to it. Mr. Benn in reply could only ask them to have patience. He pointed out that the settlement between the Viceroy and Mr. Gandhi dealt only with political matters, but he expressed the hope that it would soon bring relief in the economic sphere also. The idea, however, that Britain could interfere with Indian liberty of action in the matter could on no account be entertained.

On March 21 the Secretary for Foreign Affairs was informed somewhat abruptly by the Austrian Minister in London that Austria and Germany had entered into negotiations for a Customs union. He received the announcement with reserve, and after due consideration warned the Austrian and German Governments that their action had aroused widespread misgiving in many countries, especially France. Not wishing, however, to prejudge the issues involved, he decided, with the concurrence of M. Briand, to raise at the next meeting of the Council of the League of Nations the question whether the proposed agreement was compatible with Austria's treaty obligations, particularly under the protocol of 1922. On March 30 Mr. Henderson gave a full account of the steps which he had taken to the House of Commons, and satisfied it that he was handling a delicate situation with tact and discretion.

On March 24 the House of Commons performed the unusual feat of passing a Bill through all its stages at a single sitting without a division. The measure in question was a Bill to amend the Act of 1782 relating to contracts between members of Parliament and the Government. Members had always been aware that contracts of a mercantile nature were forbidden. But the Solicitor-General, having had occasion to consult the law in connexion with a case that had recently arisen, had come to the conclusion that by the wording of the Act other contracts also were—no doubt unintentionally—prohibited, and that in

consequence many members of Parliament were, according to the strict letter of the law, liable to heavy penalties and disqualification. He had therefore in all haste prepared a Bill to limit the application of the Act of 1782 to contracts of a mercantile nature only. The House fully concurred in his view of the matter, and lost no time in freeing itself from the danger to which he had called its attention.

The report on the disaster to the airship R101 in October, 1930 (*vide* ANNUAL REGISTER, 1930, p. 78), was issued on March 30. It was established by the evidence that the airship was set on fire through striking the ground nose first. The Court of Inquiry, after a minute investigation, came to the conclusion that this was caused by a sudden loss of gas in one of the forward gas-bags, at the same time that the ship was struck by a heavy down-current of air. The liability of the gas-bags to chafing was the only weak spot in the airship ; in other respects no fault could be found with its construction or design. Stress was laid on the fact that those in charge of the ship might well have had a longer period for trial flights, and that the start on the voyage to India was unduly hastened for political reasons ; nevertheless there had been no reasonable ground for apprehension, and no blame attached to anyone concerned.

On March 30 Mr. Graham moved the second reading of the Consumers' Council Bill which had reached the Committee stage in the previous summer and then been jettisoned through lack of time (*vide* ANNUAL REGISTER, 1930, pp. 58, 83). The Bill as resurrected contained a new provision, inserted to meet Liberal criticism, that prices could only be fixed "where conditions existed which restricted the free play of competition." Mr. Graham maintained that the need for the Bill was now even greater than last year, because in the interval wholesale prices had been falling further, and wages had declined faster than prices. A Conservative amendment to reject the Bill was defeated by 263 votes to 220.

The accounts for the financial year 1930-31, issued on March 31, showed that, while revenue had expanded as a result of heavier taxation, expenditure had increased even more rapidly. The ordinary revenue amounted to 775,894,975*l.*, an increase of 41,706,227*l.* on 1929-30. The increase in the income-tax yield, resulting from the higher rate, was 18,621,000*l.*, which was nearly 4,000,000*l.* less than Mr. Snowden's estimate. Surtax, on the other hand, exceeded the Chancellor's expectations by 3,330,000*l.*, and the yield of 1929-30 by 11,440,000*l.* Estate duties came nearly up to the estimate, showing an increase of nearly 3,000,000*l.* on the figure of the previous year, but the revenue from stamps, owing to the financial depression, was over 5,000,000*l.* less than that of 1929-30, and nearly 6,500,000*l.* below the Budget estimate. There had also been a net drop of nearly 2,000,000*l.* in Customs

and Excise receipts. Thus apart from the profits on the self-balancing services, the Post Office and the Road Fund, and the 16,000,000*l.* from the Rating Relief Suspense Account, the increase in revenue did not amount to much more than 25,000,000*l.* The ordinary expenditure, on the other hand, was 732,340,000*l.*, an increase of 31,376,8192. on that of the previous year, though nearly 14,000,000*l.* less than the Budget estimate. Thus actual receipts exceeded expenditure by some 43,000,000*l.*, but as 66,830,000*l.* had been allocated to Sinking Fund, there was a nominal deficit on the year's working of 23,250,000*l.*

Shortly after the internecine struggle at St. George's, Westminster, unity was once more restored to the Conservative Party, at least in theory. As soon as the result had been declared, Mr. Neville Chamberlain, as Chairman of the Conservative Party Organisation, wrote to Lord Beaverbrook asking him to state the terms upon which he would be prepared to support the Conservative policy. Lord Beaverbrook in reply stated that he would gladly work in agreement with the party if he received an assurance that its policy would aim at increasing not only manufacturing production, but also wheat and general agricultural production at home by the most efficient and practicable method—that is, by quotas, and prohibition of, or duties on foreign foodstuffs. Mr. Chamberlain replied that this was a correct statement of Conservative policy in regard to agriculture, and took it for granted that he could rely on Lord Beaverbrook's co-operation—an assumption which was neither contradicted nor confirmed.

At the annual Conference of the Independent Labour Party, on April 4, the Government was severely criticised for its lukewarmness in the cause of Socialism, and the question was raised whether the members of the party in Parliament should continue their affiliation to the official Labour Party. Mr. Maxton described the position of the I.L.P. members of Parliament as being in agreement with the Government as to 90 per cent, of its policy and disagreement in regard to the other 10 per cent. He did not therefore think it incumbent on them to secede from the Labour Party, though he recognised that they were bound to cause friction by remaining within it. Mr. Maxton's view ultimately prevailed, and it was decided for the present not to follow the example of the Mosley group by forming a separate party.

In the first three months of the year there were a large number of by-elections, in which the Labour vote fell considerably and the Liberal vote sharply, while the Conservative vote remained more or less steady. The conclusion to be drawn was that, while many Liberals in the country were greatly dissatisfied with Mr. Lloyd George's pro-Socialist policy, they yet could not bring themselves to support the party of protection. Nevertheless signs were not wanting that this repugnance was weakening; in particular, the Conservatives were greatly encouraged by some

remarks made by Sir John Simon in a speech delivered at Manchester on March 3 on behalf of the National Campaign for Economy. After clearly and dispassionately setting forth the serious financial plight in which the nation found itself, Sir John expressed in conclusion his belief that a reduction of expenditure could not be achieved on a scale sufficiently large to meet their financial needs ; and therefore he felt bound to invite his fellow-countrymen—those who, like himself, had inherited free-trade traditions—to ponder on the fiscal methods they might be bound to adopt. Guarded as were these words, they were taken by many Conservatives as a clear indication that the fiscal issue need not any more present an insuperable obstacle to an alliance between themselves and the class of Liberals represented by Sir John Simon.

CHAPTER II.

THE BUDGET AND THE LAND TAXES.

WHEN Parliament reassembled on April 14 after the Easter recess, there was much talk in political circles of a " crisis," actual or impending. The Conservatives had decided to launch a fresh attack on the Government for its failure to tackle the unemployment problem, and as it had shown no new signs of activity during the recess, they thought there was a great likelihood that on this occasion the Liberals would at last join with them. The Liberals did not confirm these suppositions, but neither did they deny them, so that the fate of the Government might truly be said to hang in the balance.

The session opened none too auspiciously for the Government. The first business before the House of Commons was a vote of some 19,000,000*l.* for the Ministry of Health, of which nearly 13,000,000*l.* was for housing grants. The Government was severely criticised not only by Conservative but also by Liberal and Labour speakers for its slackness in providing new houses, as evidenced by the fact that in 1930 only 150,000 new houses had been built, of which 110,000 were due to private enterprise. The Minister held out hopes that the rate of building would be considerably quickened in the coming years, but his promises were received by the House with some incredulity. However, a motion to reduce the vote was defeated by a substantial majority.

Mr. Greenwood redeemed himself to some extent on the next day by his Town and Country Planning Bill, which obtained commendation from all sides of the House. The object of the Bill was to enable town-planning to be carried out on a more extended scale than hitherto, by giving the authorities increased powers not only to execute their own schemes but also to prevent

private building of a character which they judged undesirable. According to the Minister, it could be made to serve social and aesthetic no less than economic purposes. This view found general acceptance ; and Sir E. Hilton Young, who twelve months before, and again earlier in the present year, had introduced a Bill for the preservation of Britain's rural amenities, now announced his intention of withdrawing his own measure in order that he and his friends might support that of the Government. After some criticism of details, the second reading was passed without a division.

On April 15 Mr. Thomas, the Secretary of State for the Dominions, informed the House of Commons of the decision which the Government had taken in respect of the Australian war debt. He said that the question of revising the terms under which Australia's war debt to Great Britain had been funded in 1921 had been broached by the Prime Minister of the Australian Commonwealth when he attended the Imperial Conference in London in the previous year, and negotiation on the subject had continued after his return to Australia. In the end the British Government had consented to give the Commonwealth Government the option of postponing four half-yearly payments of approximately 814,000*L* each of sinking fund, and this without increasing the amount of future annuities. The effect of this arrangement would be a reduction of over 1,600,000*L*. per annum in the payments to be made by the Commonwealth in the next two financial years, and extension of the period of repayment by two years. Mr. Thomas added that the Commonwealth was asking for a still further extension, but the Government did not think it desirable at that moment to consider the question, as it was hoping that in two years the financial and economic condition of Australia would have improved. After hearing the statement, Mr. Baldwin expressed the opinion that the Government had acted with consideration and generosity, and Sir D. Maclean on behalf of the Liberal Party associated himself with this view.

On the next day (April 16), Mr. Baldwin moved a vote of censure on the Government " for failing to carry out their election pledges with regard to unemployment, and for having ceased even to attempt any remedial measures." The defence of the Government was made by Mr. Johnston, the newly appointed Lord Privy Seal. He maintained in all good faith that the Government had attempted to carry out eight of its eleven election pledges in regard to unemployment, and that in regard to two more—the raising of the school age and the furtherance of emigration—their efforts had been frustrated by the House of Lords and the Dominions. He claimed that work had been found for 226,500 men, exclusive of the figures for housing, afforestation, and certain other small movements. He was also able to announce that the Government had a number of further steps in view for

providing employment, and was fully determined to put more energy into its efforts to deal with the problem.

After Mr. Johnston's speech, Mr. Lloyd George and his followers retired for a consultation. The result of their deliberations was more favourable to the Government than anyone had anticipated. However much dissatisfied they might be with the present regime, the bulk of them were still of opinion that a Conservative Government would be worse. Led by Mr. Lloyd George, some thirty of them decided not merely not to vote against the Government, but actually to support it. In announcing this decision to the House, Mr. George justified it on the ground that Mr. Johnston's speech showed the Government to be really anxious to carry out the pledges which it had given on February 10 ; he was therefore willing to give the new Minister a chance. On behalf of the Left Wing of the Labour Party, Mr. Brockway criticised the inactivity of the Government even more strongly than the Liberals, but like them he feared even worse from Conservative rule. Thus, as a result more of hostility to their opponents than of sympathy with themselves, the Government secured 305 votes, against 250 for the motion ; and the " crisis " — if ever there had been one — was over, leaving them if anything actually stronger than they had been before.

On April 20 the Government's programme was interrupted to allow of the introduction by the Home Secretary of a Bill dealing with the vexed question of the opening of places of entertainment, and especially cinema shows, on Sunday. The decision of the Court in the previous December, that the London County Council had broken the law in permitting cinema theatres to open on Sunday (*vide* ANNUAL REGISTER, 1930, p. III), had made little difference in actual practice ; the cinemas had opened on Sunday as before, and no " common informer " had as yet come forward to demand pains and penalties upon them. Nevertheless promoters and patrons of Sunday entertainments were in a state of great apprehension, not knowing how long they would be left in peace, and they agitated strongly for a revision of the laws governing Sunday observance. In order to bring the existing law into ridicule, a society in Manchester early in the year procured a summons against a local councillor under the law of 1780 for having failed to attend divine service on Sunday, and he was gravely " admonished " by the Bench for an offence which was now committed habitually by half the population of the town.

The sympathies of the Government were with those who desired to see Sunday entertainments legalised, but it could not ignore the strong body of public opinion which was vehemently opposed to any change in the law. It decided that the best course would be to introduce its own Bill for dealing with the subject, but to leave the issue to a free vote of Parliament. The Home Secretary accordingly drafted a Sunday Performances Regulation Bill the

object of which was simply to legalise the existing practice, and which for this purpose authorised county councils and county borough councils, if they were satisfied that there was a substantial local demand, to issue licences for Sunday musical entertainments, cinema shows, exhibitions of animals or inanimate objects, and debates, but not theatres.

In moving the second reading, Mr. Clynes pointed out that if the Bill was rejected and the law was not harmonised with present-day practice, it would become necessary to enforce strictly the impossible Act of 1780 for Sunday observance. On the other hand, he had shrunk from proposing a simple repeal of the Act of 1780, because that would mean the legalisation of prize-fights, football, and other sports on Sunday. Sir John Simon pointed out with much force that if the Act of 1780 had not been on the Statute Book, no one would have dreamt of enacting it at the present day ; but though this could not be gainsaid, a number of speakers found the idea of changing the law highly distasteful. Outside the House, immense efforts had been made to procure the rejection of the Bill; members of Parliament had been deluged with postcards and letters asking them to vote against it, and a petition had been presented to Parliament ten miles long and containing nearly a million and a half signatures. In spite of this pressure, however, the House inclined to the side of tolerance, and passed the second reading of the Bill by a majority of 48.

Along with the Sunday Observance Act, the Act prohibiting lotteries became at this time a source of no small embarrassment to the Government. Recent events had for the first time made the restraints imposed by this measure really irksome to a large part of the public. At the end of 1930 the Irish Free State commenced to run sweepstakes on the big English races with the intention of devoting a large part of the proceeds to the benefit of Irish hospitals. The tickets had an enormous sale in England, in spite of their illegality, and a loud cry was raised for legalising sweepstakes there also in order to divert the money thus spent to the benefit of British hospitals. The Government had no desire to change the law, yet were at a loss how to enforce it; such steps as they did take to interfere with the sale and distribution of tickets proved much more irritating than effective.

The Conservatives enjoyed a great triumph on April 21, when Mr. Adamson, the Minister for Scotland, moved to re-enact for five years the Housing Act of 1926 which had provided for the reconditioning of rural cottages. At the time of its introduction this Bill had been denounced in unmeasured terms by Labour speakers, including the present Minister of Health and Prime Minister, as a dole to landlords and a perpetuation of the tied cottage system. Mr. Adamson now admitted that it had worked successfully, and had produced 4,000 reconditioned houses in

England and Wales at an average cost of 78*l.*, and 7,000 houses in Scotland at an average cost of 86*l.* He admitted that he was "ploughing with a Tory heifer," but he justified this course as the only way of producing labourers' cottages at low rents until the Slum Clearance Act of 1930 should come effectively into operation.

On April 22 the Government had further trouble with the Electoral Reform Bill—this time with the clause regulating the use of motor-cars at elections. It had long been a grievance with the Labour Party that the other parties—and especially the Conservatives—were at a great advantage at election times through having at their disposal a much larger number of motor vehicles ; and the Government had sought to remove the inequality by enacting in this Bill that no motor vehicle should be used to convey anyone to the poll save the owner or a member of his family resident with him. Opposition critics had no difficulty in showing that the provision as it stood was fraught with absurdities, and that it might deprive many persons of the opportunity of registering their votes. The Home Secretary was impressed with the objections raised against the clause, and expressed his willingness to discuss with the party leaders the possibility of finding a suitable alternative.

When Parliament met after the Easter recess, Mr. Snowden was still laid up as the result of an operation which he had recently undergone, and the introduction of the Budget had been fixed for April 27 in order to allow him time to recover. To the general gratification of all parties, he was on that date sufficiently well to deliver his Budget speech in person, though in order to save him from undue strain the customary review of the financial year was on this occasion laid before members in the form of a printed statement—a practice which the Speaker insisted must not be taken as a precedent, though it was highly appreciated by the members. Referring to this review, the Chancellor pointed out that the net result of the year's working was a surplus applicable to debt reduction of 43,000,000*l.*, and he took it as a sign of the soundness of the national financial position that in a year of unparalleled trade depression they had not only been able to pay their way but also to make a substantial reduction of the debt.

In regard to the coming year, Mr. Snowden reminded the House that he had originally intended to set aside in 1931 a sum of 4,000,000*l.* for covering the deficit of 1929-30 (*vide* ANNUAL REGISTER, 1930, p. 33), but as he had somewhat unexpectedly received a sum of 9,000,000*l.* from the German mobilisation loan, which had been applied to debt reduction outside the Budget, he would consider that account as liquidated. As to this year's deficit of 23,000,000*l.*, he would, in the present state of financial uncertainty, make no attempt to meet it immediately out of

present resources, though he had hopes that as a result of economies and debt conversions it would be possible in the course of the year to reduce the cost of the debt services. While admitting that this was a breach with the financial principle which he had enunciated in the previous year, he sheltered himself under the dictum of Mr. Gladstone, that in times of industrial depression and unemployment it was better to use resources to stimulate trade than to make undue sacrifices for the reduction of debt.

In estimating his revenue for the current year, Mr. Snowden proceeded on the assumption that trade on the whole would be at least no worse than in the year just past, and he therefore reckoned on a revenue from ordinary sources of 762,000,000l., which was 2,000,000l. more than the actual yield of the previous year, though 11,000,000l. less than the estimate. To this could be added 4,000,000l. which was still available from the Rating Relief Suspense Account. Expenditure had already been fixed at 803,366,000l., leaving a gap to be bridged of 37,366,000l. More than half of this sum could be accounted for by two items—12,000,000l. for the de-rating scheme, and an extra 8,000,000l., over and above the actual expenditure of the last year, for transitional benefit.

In the view of the Chancellor, the problem of the deficit was largely a temporary one, and could be justifiably dealt with by temporary measures. He would therefore, he said, seek relief by means of non-recurring revenue and improvised expedients, somewhat similar, as he confessed amid the laughter of the House, to those to which his predecessor had resorted so freely in more prosperous times, and which in those circumstances he had so strongly condemned. Though the depredations of his predecessor had left few hen-roosts to rob, there were still two valuable resources on which he could fall back. One was the so-called Dollar Exchange Account, a sum of 33,000,000l. formed during the war and since utilised by the Treasury in purchasing foreign exchange to finance payments of British obligations abroad. Now that the Bank of International Settlement was established, it was no longer necessary to keep so large a sum in reserve for this purpose, and he therefore proposed to transfer 20,000,000l. from it to his miscellaneous receipts for the year. His second device would be to make the income tax payable next year as to three-quarters on January 1 and as to one-quarter on July 1, instead of in two equal instalments; in this way he reckoned he would gain 10,000,000l. in the current year. For the rest he would rely on an increase of the petrol tax from 4d. to 6d. per gallon, which he estimated would give him just the sum he required, viz., 7,500,500l. The only other fiscal change of any importance contained in the Budget statement was a reduction of the duty on light motor-cycles from 30s. to 15s. in order to encourage the manufacture in Great Britain of this type of machine.

In addition to providing for the finance of the year, Mr. Snowden in his 1931 Budget, like Mr. Churchill in 1928, sought to inaugurate a far-reaching change in the fiscal system of the country, on which he had long set his heart. At the close of his statement he announced that the Finance Bill would contain proposals for carrying out a valuation of all the landed property in the country, and, when this was completed—which would probably not be for a couple of years—for imposing a tax on land values, at the rate of 1d. in the £ on capital land value.

Apart from the proposal to tax land values, the Budget contained nothing of a controversial nature, and Mr. Snowden had already said the worst that could be said about it by calling it "makeshift." Hence the criticism of the Opposition was directed largely to driving this fact home and to pointing out the difference between Mr. Snowden's principles twelve months ago and his practice on the present occasion. Mr. Neville Chamberlain, who had taken Mr. Churchill's place as spokesman of the Conservative Party, sarcastically remarked that the dominant feeling inspired by the Budget was one of relief; Free Traders had been relieved because there was no hint of a tariff, owners of land because a land tax would not become operative for another two years, during which much might happen, drinkers and smokers because their luxuries were not going to cost them any more, and traders and manufacturers because, although the Budget did nothing to help them, it was not going to add to their burdens. Next year, however, the situation was likely to be much more serious, as the Chancellor seemed to him to have been far too optimistic in his forecasts; he would be surprised if his income came within 10,000,000l. of his estimate, and if his expenditure was not far in excess of it. Mr. Snowden, he said, had missed a great opportunity of both raising revenue and stimulating trade by putting a tax upon several articles of import, and he prophesied confidently that he would be the last Chancellor of the Exchequer to introduce a Free Trade Budget.

Mr. Churchill expressed an ironical satisfaction with the Budget which was even more cutting than Mr. Chamberlain's strictures. He characterised the instances in which Mr. Snowden had followed his own lead as spontaneous tributes which, on personal grounds, were very gratifying to him in his present loneliness, all the more so as the Liberals seemed to have joined in the conversion. But he was still more pleased with the Budget on public grounds. It would, he said, be memorable for the fact that the Socialist Chancellor of the Exchequer, in spite of Socialist pressure, in the teeth of the whole doctrine of his life, had declared by action louder than words that in the present circumstances the limits of direct taxation had been reached. This decision, he went on, spelt the doom of all airy, visionary Socialist programmes of creating some new Utopia through the agency

of the tax-collector, and revealed the bankruptcy of the Socialist programme.

The land tax proposal of Mr. Snowden involved a departure from constitutional practice in so far as it sought to fix taxation beyond the limits of the current year. To remove this objection, the Government brought forward (April 28) a resolution authorising the imposition of the tax. The Conservatives, though determined to resist the land tax, judged it advisable to reserve their main attack for a later occasion, and after a somewhat half-hearted opposition on their part the motion was carried by a substantial majority.

Having thus cleared the ground, Mr. Snowden formally moved, on May 4, as one of the Budget resolutions, that there should be charged for the financial year ending March 31, 1934, and for every subsequent financial year, a tax at the rate of 1*d.* for each 1*l.* of the land value of every unit of land in Great Britain. He represented the tax as an attempt to secure for the community the increase in the value of land rentals due to public improvements, and he stated that certain classes of land would be exempt, notably agricultural land and properties of a less value than 120*l.* The motion was opposed by Mr. N. Chamberlain on the ground that it aimed at something quite different from the taxing of increment value—an object with which the Conservatives were greatly in sympathy. Mr. Lloyd George promised his support to the measure chiefly on the ground that it would provide a basis for a systematic land valuation, which could be of great use for many purposes, though after his experience with his own Land Bill of twenty years before he was not sanguine about its financial yield. The Conservatives expressed their opposition to the principle of the measure by dividing against the resolution, but they were defeated by 289 votes to 230.

On May 4 Mr. Hayday, the President of the Council of the Trade Union Congress, gave evidence on behalf of that body before the Royal Commission on Unemployment Insurance. At the time of the appointment of the Commission, in the previous autumn, the Council had protested strongly against its terms of reference, and it had long hesitated whether to give evidence or not. Having at length with no small reluctance decided to do so, it formulated with great precision a scheme of its own for dealing with the unemployment problem, which Mr. Hayday now for the first time made public. This was, in brief, that both workers' and employers' contributions to unemployment insurance should be abolished, and that maintenance of the unemployed should become a direct charge on the Exchequer. The present debt on the Unemployment Insurance Fund should, it was suggested, be cancelled by means of a special unemployment levy on all incomes. All unemployed persons should be entitled to benefit, and there should be no means test. The cost, it was

admitted, would be very great—though Mr. Hayday would not accept the figure of 115,000,000*l.* suggested by a member of the Commission—but the Council were not to be deterred by this; whatever it was, they declared, it would have to be met.

The trade unionists were immediately followed by representatives of the National Confederation of Employers' Organisations, who propounded a diametrically opposite method of dealing with the same problem. Briefly, they advocated a return to the fundamental principles and conceptions of the 1920 Act: that is, that the total number of benefits that any person could draw must bear a direct ratio to the number of contributions he had paid, and that there should be a definite limit to the number of payments anyone could draw in a year. There was, in their opinion, no other formula which provided in the same degree the three safeguards of solvency, genuineness of claim, and simplicity of administration. Before this scheme could be started, the Exchequer should assume the responsibility for the whole of the debt under the existing system. Contributions should be equal in amount from the workers, the State, and the employers, and should never exceed 5*d.* for an adult male. The relief of those who had exhausted their right to benefit—who at present constituted the major part of the problem—should be charged to the Exchequer, and should be under the general supervision of a Statutory Commission appointed by Parliament for the purpose. This body should be governed by the principles that relief should only be given after adequate inquiry and assessment of need, and that it should not be given to any applicant who refused to accept work which he was reasonably capable of performing, even though it was outside of his normal occupation.

On May 7 the House of Lords threw down a challenge to the Government by emasculating, on the Report stage, the Land Utilisation Bill to which it had given a second reading on February 25. Before the discussion commenced, Lord Hailsham asked the Government if it would advise the House of Commons to waive its undoubted privileges so far as to allow the Upper House to make alterations in the financial provisions of the Bill. For making this suggestion he was severely reprimanded by Lord Parmoor and Lord Buckmaster. Being thus rebuffed, he moved that the whole of Clause 1, which empowered the Minister of Agriculture to acquire land for reconditioning, should be deleted. Though well aware that they were treading on dangerous ground, the Conservative majority supported him, and carried the motion by 82 votes to 31. When the Bill thus mutilated was sent back to the Commons, the Prime Minister declared that the Government would restore it to its original form, and if necessary carry it over the head of the Upper House.

On May 11 the House of Commons discussed the Vote for the Department of Overseas Trade in order to give publicity to the

reports of the Trade Missions which in the course of the previous year or two had visited South America, Egypt, and the **Far East**. It was pointed out that all these reports sought to drive home the same lesson—that the prices of British goods were too high, and that British merchants did not sufficiently consult the requirements of those whom they desired for their customers. The Minister himself supplemented these criticisms by stating that his Department, which was costing 500,000*l.* a year to run, was being used by the big combines rather than by the smaller traders, who really needed it most. He refused, however, to believe that the export industries were doomed, and pointed to Africa and China as vast new potential markets.

Among those who sought to rouse the British trading world to a sense of its own deficiencies and to stimulate it to fresh efforts, no one was more active or painstaking than the Prince of Wales. Having in February gone to Buenos Aires, in company with Prince George, to open the British Exhibition there, he took the opportunity, while in South America, to make an exhaustive study of the state and prospects of British trade in that continent. He set forth the results of his investigations in an address which he delivered on May 12 soon after his return to England, to the members of the Manchester Chamber of Commerce. The first thing he had learnt, he said, was that the prestige of Great Britain as a manufacturing country was by no means what it had been, not only among South Americans, but also among the British communities resident there. The decline in British exports could be attributed partly to the endeavour of the South American States to foster their own industries by means of tariffs. But the British themselves were also largely responsible, through adhering too closely to tradition and failing to adapt themselves to the changes of the times. He advised British manufacturers, in order to compete with foreign prices, to sacrifice some of the high finish and solidity they had been accustomed to give, without, of course, lowering their standard of mechanical efficiency and usefulness. He urged the heads of businesses to pay more frequent visits abroad, and criticised the British as being sadly behind the Americans in the matter of advertising. In expressing thanks for the address, which had lasted nearly an hour, the Lord Mayor of Manchester complimented the Prince on having conveyed to them lessons of the highest importance without in any way lecturing them.

In the debate on the India Office Vote on May 13, Sir P. Cunliffe-Lister and Sir H. Samuel once more voiced the disappointment of the Lancashire cotton industry at the failure of the Irwin-Gandhi agreement to procure any alleviation of the boycott of British goods. The Secretary for India once more advised patience, and drew hope from the fact that Lancashire's Indian trade had at least not suffered a further decline since the conclusion

of the agreement. Speeches made in the course of the debate showed that Conservative opinion was becoming more pessimistic as to the outcome of the Round Table Conference, and less inclined to make concessions to Indian demands. Mr. Churchill indulged in a violent diatribe against Mr. Gandhi, and urged the Government to declare the boycott illegal and enforce the law against its organisers. Without going so far as this, Sir S. Hoare declared that the cotton boycott and the attitude of certain of the Congress leaders towards the Irwin-Gandhi agreement made many doubt whether there was in India the goodwill and common sense essential for the proper handling of the constitutional problem. He accused the Government of hesitation and vacillation and maintained that their policy of drift had had unfortunate reactions both in India and in Great Britain.

On May 14 the Prime Minister informed the House of Commons of the policy which the Government had decided upon in the matter of airships. He said that the report on the loss of R101, exhaustive as it was, did not enable them to say definitely that airships were either a failure or a success. There were thus three courses open to them. One was to continue the programme of 1924-30 as if nothing had happened. This, he thought, was quite out of the question. The other alternatives were to scrap all the existing equipment—the airship R100, the mooring masts, and the shed at Cardington—or to retain it as a nucleus for further experimentation in airship construction and development. In the first case they would merely keep a recording department, to take note of the achievements of other nations, at a cost of about 20,000*l.* a year; in the second case the total cost would be from 120,000*l.* to 140,000*l.* a year. In spite of its great desire for economy, the Government had no hesitation in preferring the second of these courses. If the airship ever was to have a future, it was most important that they should have a body of skilled men ready for the work of construction; and, in addition, by maintaining the shed at Cardington, they would be providing employment for about 400 men.

At the conference of the National Liberal Federation which opened at Buxton on May 13, a vehement attack was made by a section of the delegates on Mr. Lloyd George's policy of supporting the Socialist Government, which was represented as ruinous to the party. Mr. Lloyd George defended himself with great vigour and address in a speech which he made to the conference on the second day. He conceded the right of the conference to sit in judgment on the activities of the Parliamentary party, but he warned it that if it disapproved of their doings, it would weaken, if not altogether destroy the influence of the Liberal Party in the House of Commons. He based his support of the Government on two grounds. One was that to withdraw it would probably mean the accession to office of a Conservative

Government with a programme of Protection, which he represented as the worst of all possible evils. The other was that, from conversations which had been carried on with the new Lord Privy Seal, he was convinced that the Government was ready to put into execution a large part of the Liberal policy of reconstruction, notably in the matters of road-building, housing, and slum clearance. He further reminded the conference that the Government's Land Utilisation Bill enjoyed the thorough approval of all classes of Liberals, and that the Government had gone as far as it could to meet their wishes in the matter of electoral reform. Finally he roused the enthusiasm of the conference by announcing that a general convention of Liberal and Free Trade delegates would be held in London on May 29 to consider the best way of inaugurating a great campaign on behalf of Free Trade.

This harangue added one more to Mr. Lloyd George's many oratorical triumphs. If he did not entirely silence opposition, he at least reduced it to very narrow dimensions. A handful of delegates continued to charge him with having sacrificed the independence of the party, and to clamour for a restoration of their lost freedom. The great bulk of the conference, however, were elated with his speech, and had no hesitation in voting for a motion which, on the one hand, reaffirmed the absolute and unfettered independence of the Liberal Party, and, on the other hand, recorded approval of the policy pursued by the Parliamentary Liberal Party. The result of the conference was a great disappointment to the Conservatives, who had confidently expected that it would place a sharp check on Mr. Lloyd George's Socialist leanings, and they took their revenge by dubbing him and his followers henceforward "the Right Wing of the Socialist Party."

Immediately after the conference, the Government was again saved by Liberal votes from defeat on a major issue. On May 18 Sir A. Chamberlain called attention in the House of Commons to some fresh infringements by the Soviet Government of the agreement regarding propaganda. The Prime Minister excused the Government's failure to take action on the usual grounds that the facts alleged were not fully substantiated, and that in any case it was more politic to disregard them. The Conservatives found the reply so unsatisfactory that they moved a hostile resolution. In the division lobby the Conservatives actually outnumbered the Labour members, but twenty-four Liberals voted with the Government and enabled it to secure a majority of 20.

On the next day (May 19) the Finance Bill came up for its second reading. Further study of the land tax proposals had confirmed the Conservatives in their hostility to them, and had raised doubts in the minds of many Liberals. Mr. Neville Chamberlain repeated the attack which he had made on them when they were first laid before the House, filling in with a wealth of detail the outline which he had then drawn. The real object

of the proposals, he maintained, was not to raise money, but to pave the way to the nationalisation of the land by means of confiscation, though most of the members of the Labour Party had not the courage to say so. Another severe critic of the Bill was Sir John Simon, who by a searching analysis showed that Mr. Snowden's proposals were utterly dissimilar in principle from those made by Mr. Lloyd George in 1909-10, and that they contained features which could not be defended so long as private property in land was recognised as legitimate. Sir John's argument was not without its effect on Mr. Lloyd George's followers, but they did not judge the occasion suitable for embarrassing the Government, and they allowed the second reading of the Bill to be carried by a majority of 40.

When the Electoral Reform Bill reached the Report stage, the Government was strongly urged by a section of its followers to make an attempt to reverse the decision of the House that the Universities should not be deprived of their separate representation. It shrank from this step, but instead made a proposal which was almost equally distasteful to the friends of the Universities. On May 20 the Solicitor-General moved a new clause to abolish completely plural voting. As most University voters also had votes elsewhere which they were more likely to use, it was obvious that this provision would deprive the University franchise of most of its value. Strong opposition was therefore offered to it by the Conservatives, but it was eventually carried by a majority of 30. In further discussion on this stage a compromise was also reached on the question of the use of motor-cars at elections.

On May 24 Mr. Baldwin informed the Prime Minister, in a letter which was subsequently made public, that he and his friends were ready to assist in the deliberations of the Round Table Conference on the Indian question, so soon as it should be summoned to meet again, on the understanding that work should be resumed at the point where it was left off in January ; in particular, that the safeguards on which the British delegation then insisted should be accepted as the basis of future discussion. He also asked that if the conference, or at any rate the Federal Relations Committee, could not meet at once, it should not be called together till the autumn, as during the summer vacation it would be very awkward for the members of the Conservative Party to consult together.

On May 29 it was officially announced that the Government had decided to invite the Federal Structure Committee of the India Round Table Conference to reassemble in London not later than September 5. The Government, it was stated, would have preferred that the Committee should meet again at the end of June. It had been found, however, on inquiry that this date would have been seriously inconvenient to several members

of the Committee both at home and in India. On the other hand, constitutional advance was a matter of so much moment to India that the resumption of the conference could not be postponed beyond the beginning of September. Whether the Minorities Committee should meet at the same time would, it was said, depend on the progress which should have been made in India towards a communal settlement. A few days later (June 5) the Prime Minister replied to Mr. Baldwin's letter of May 24, giving him the assurances he desired with regard to the work and character of the resumed conference. He also promised to do all he could to meet Mr. Baldwin's wishes in the matter of date.

On May 28 the great Conservative campaign in favour of tariffs opened at Liverpool with an address from Mr. Baldwin. A couple of days later, in accordance with the announcement made by Mr. Lloyd George at Buxton (*vide* p. 45), a Liberal Conference "to inaugurate a great campaign in favour of Free Trade and to fight for it afterwards right through to the end" was held in London. It closed with a vigorous defence of Free Trade by Mr. Lloyd George, which at the same time served as a send-off for the campaign. Thus the prospect of co-operation between Liberals and Conservatives became more remote than ever, and the Government's chances of retaining Liberal support, on the simple condition of not changing its fiscal policy, were correspondingly improved.

The first business of the House of Commons on reassembling after the Whitsuntide holiday on June 2 was to take the third reading of the Electoral Reform Bill. The Home Secretary, in moving it, again spoke with a total lack of enthusiasm, and even among the Liberals the only speaker who supported the Bill with any conviction was Sir Herbert Samuel. The bulk of the Labour members again displayed their indifference to the measure by absenting themselves from the debate; but when the Conservatives challenged a division, they dutifully recorded their votes, and so secured for the Bill a majority of 50.

The next business before the House was the Committee stage of the Finance Bill. The Prime Minister moved, as a preliminary, that the whole of the remaining discussion on the Bill should be confined to eleven days. He justified this proposal on the ground that in addition to the Finance Bill, legislation regarding the unemployment insurance fund and the hours of coal-miners would have to be passed before the end of the session. The Conservatives protested vigorously against the highly unusual course of applying the guillotine to the discussion of a Finance Bill, especially one which contained such contentious features as the new land tax proposals, and they were strongly supported from the Liberal benches. The Government placated a number of Liberals by consenting to allow two more days for the debate,

but even so they succeeded in carrying their proposal only by a narrow majority.

Two days after Parliament met (June 4), the Royal Commission on Unemployment Insurance which had been appointed in the previous October issued an interim report dealing with three matters which the Government had represented to it as urgent—the increasing indebtedness of the unemployment fund, the increasing cost to the Exchequer of transitional benefit, and abuses of the scheme. Of the seven members of the Commission, five proceeded on the assumption that it was to the national interest that at all costs the debt on the insurance fund should be, if not wiped out, at any rate reduced to manageable proportions. With this end in view they proposed that the period of insurance benefit should be limited strictly to twenty-six weeks, that the contributions alike of employers, workers, and the State should be increased, that the ordinary rate of benefit should be reduced, and that savings should also be effected at the expense of dependents and intermittent workers and married women. With an average "live register" of two and half millions, they calculated that, if their suggestions were followed, the annual deficit on the fund might be reduced from practically 40,000,000*l.* to about 7,500,000*l.* They also made suggestions for dealing with unjustifiable claims which were euphemistically called "anomalies." The other two members refused to subscribe to the majority report on the ground that the pressing need of the time was not "a scheme under which the income and expenditure of the Fund could be made to balance," but "to maintain the unemployed on a level of subsistence at least no lower than that at which they are to-day." They agreed, however, with some of the proposals of the majority touching anomalies.

The majority report of the Commission was immediately denounced in uncompromising terms by the Independent Labour Party, and by the General Council of the Trade Union Congress with almost equal vigour a few days later. On the other hand, it was received with a chorus of approval by the Conservatives, who saw in it the confirmation of the views which they themselves had for a long time been expressing. Nor was their satisfaction with the report lessened by the fact that it placed the Government in an obvious quandary. For it could not act on the recommendations of the report without alienating a large number, if not the majority of its supporters; and, on the other hand, it would greatly stultify itself by ignoring the recommendations of a Commission for the guidance of which it had so long professed to be waiting.

Even more embarrassing to the Government was a decision which at this time was made by their Liberal allies. In the course of the Whitsuntide recess a large number of Liberals had realised—what Sir John Simon had told them a month before—that **one**

effect of Mr. Snowden's proposals would be to tax certain kinds of property twice over. Stimulated, no doubt, by representations from the constituencies, they came to the conclusion that this would be a gross injustice, and they took steps to impress this view on the Government. With an unusual unanimity, the party approved the draft of a motion exempting from the application of the land tax property which had already paid income tax under Schedule A—mostly urban business property—and had it placed on the order sheet, as an official amendment to the Finance Bill.

It was calculated that the loss to the Exchequer which would result from this alteration in the tax would be at least two million pounds. Nevertheless, in order not to alienate the Liberals, a considerable section of the Cabinet were in favour of accepting it. The Chancellor of the Exchequer, however, obstinately refused to give way, insisting on the right of the State to tax the value of all land, whether developed or undeveloped, whether it had already been taxed or not. The Liberals on their side showed themselves equally determined. A further dissection of the tax by Sir John Simon in a debate on June 9 confirmed those who were still wavering. In the course of a speech at Edinburgh on June 11—delivered to inaugurate the Free Trade campaign—Mr. Lloyd George declared emphatically that the Government's proposal as it stood was unjust and that the Liberal Party would oppose it.

As Mr. Lloyd George desired nothing less than to precipitate a General Election at the present juncture, immediately on his return to London he entered into conversations with the Government with a view to reconciling their differences. This was no easy task, as both sides seemed to have committed themselves beyond the possibility of withdrawal. For three days there was a genuine crisis in the political world. At length, on the evening of June 15, a day before the Liberal amendment was due to be considered, the difficulty was resolved. By the combined efforts of the Government and the Liberals, an amendment was drafted which graduated the tax on developed land according to the degree of development, down to a minimum of one-eighth of a penny. This form was accepted by the Liberals although it imposed double taxation, and by Mr. Snowden although it reduced considerably the prospective revenue from the land tax.

The amendment on which so much time and labour had been spent was never discussed or put to the vote. When it was moved on the next day, the Chairman of Committees ruled that it was out of order as an amendment to Clause 20, which was then being discussed, and that it should have been moved on an earlier clause. Thus the crisis ended in an anti-climax, much to the merriment of the Conservatives. However, neither the Liberals nor the Government were minded to recede from their compact, and they agreed to bring forward their proposal in a more suitable form at a later stage.

In the course of the next few days, the Liberals twice drafted an amendment embodying the agreement which had been reached, without being able to satisfy the Chancellor of the Exchequer. At length he undertook to frame and move himself a resolution in the sense desired. This promise he redeemed on June 25, when Clause 20 of the Finance Bill again came up for consideration. The Liberals could find no fault with the resolution itself, but they had every reason to complain of the tone of the speech in which Mr. Snowden moved it. With some show of indignation, he charged them with tergiversation on the subject of the double tax, asserting that they must have known from the first that the Bill contained, and was intended to contain, such a provision. He even went further, and contended that by this proposal he was really giving effect to the forty-year-old Liberal programme of land taxation. And although his original proposal had been modified, he maintained with pride that the tax would still be a special tax, an additional tax, and a double tax ; while he made light of his own financial sacrifice on the ground that future Parliaments would certainly alter the amount of the tax, and therefore the initial amount did not much matter, so long as the principle was established.

On behalf of the Liberals, Mr. Lloyd George thanked Mr. Snowden for his concession, though he was at no pains to conceal his annoyance at the "offensive and disagreeable" manner in which it had been made. How deeply Mr. Snowden's remarks rankled in the minds of the Liberals was shown by the fact that the two members who were charged to present the Liberal point of view on the land taxes—Sir D. Maclean and Mr. C. Davies—refused to have anything more to do with Mr. Snowden personally, though they were willing to meet the new Solicitor-General, Sir Stafford Cripps, whose handling of the Bill had won general praise. Other Liberals found Mr. Snowden's gibes even more difficult to digest, and, being unable to get at their author, visited their wrath upon their own leader, as the ultimate source of the humiliation which had befallen their party. Before the week was out, Sir John Simon and two other members formally discarded the Party Whip, though continuing to regard themselves as Liberals.

In view of the protests raised by the Independent Labour Party and the General Council of the Trade Union Congress, the Government decided to disregard the recommendations of the Unemployment Insurance Fund Commission touching curtailment of benefit and increase of contributions. It thus frustrated the hope expressed by the Chancellor of the Exchequer in his Budget speech, that he would obtain valuable help from this source for reducing his prospective deficit. On the other hand, it restored itself to the good graces of the General Council of the T.U.C. which at first had arranged a number of demonstrations against the report, but now cancelled them. Naturally the Govern -

ment exposed itself to severe criticism from Opposition quarters for once more shirking its plain duty of tackling the problem of the Fund's insolvency, but it excused itself on the ground that it could not act on a mere interim report, and must wait for the final recommendations of the Commission.

As the number of unemployed showed no sign of decreasing, the decision of the Government meant that the Fund would in all probability have to go on spending at least a million a week more than its income. The 20,000,000*l.* which had been borrowed for the Fund in March (*vide* p. 16) was now nearly exhausted, and it was necessary to make further provision for maintaining the benefit payments. No course was left open to the Government except once more to borrow, and accordingly it tabled a resolution by which it sought power to borrow no less than 25,000,000*l.* for the Fund and to extend the period of transitional benefit for six months, as on the previous occasion. At the same time (June 19) the text was issued of an Unemployment Insurance Bill, the chief purpose of which was to remedy some of the so-called "anomalies" in the operation of the Unemployment Insurance Acts to which attention had been called by the Commission—in particular the drawing of benefit by persons who obtained good wages on two days a week, and by married women who had no intention of returning to insurable employment. It was proposed that the Minister of Labour should be empowered to make regulations for dealing with such cases after consultation with an Advisory Committee which was to be set up for the purpose. The Commission had estimated that if all its recommendations under this head were carried out, a saving to the Fund would be effected of not less than 5,000,000*l.* The Government did not venture to estimate how much would be saved by their proposals, but no one doubted that it would fall considerably short of the sum mentioned by the Commission.

On June 23 the Minister of Labour duly moved a resolution increasing the borrowing powers of the Unemployment Fund by 25,000,000*l.*--from 90,000,000*l.* to 115,000,000*l.*—and extending the transitional period by six months as from October 18. She told the House that she did not expect the sum for which she was now asking to last for more than six months, and that it might be exhausted in three. She expressed no alarm, however, at this prospect, in spite of the grave warnings of the Chancellor of the Exchequer ; and so far was she from apologising for coming to the House once more for money for the Fund that she made a boast of forcing the nation as a whole in this way to assist the victims of the capitalist system. Incidentally she informed the House that the Commission whose interim report was being so cavalierly treated might possibly in its final report suggest fundamental changes in the insurance scheme, and then would be the time for the Government to consider its recommendations.

The Conservatives moved, as on the last occasion, that the borrowing should be limited to 10,000,000*l.* and the extension of period to three months, as a protest against the Government's indifference to the urgent necessity of making the Fund solvent. Their criticisms, however, were stultified by the fact that they had no scheme of their own to offer for effecting this object, for they could not deny that, had they been in power, they would not have ventured to adopt the main recommendations of the Commission. Mr. Baldwin, while criticising the Government for not making up its mind how to tackle the problem, admitted that it was one of extreme delicacy and difficulty. He maintained, however, that if the party leaders could not force economy on the people against its will, they could at least enlighten it as to the results of finance which was not absolutely sound and the danger of borrowing without prospect of repaying, and he blamed the Government for making no attempt to do this. The amendment was eventually rejected by a majority of 47.

On June 6 and 7 the Prime Minister entertained Dr. Briining, the German Chancellor, and Herr Curtius, the German Foreign Minister, at the Prime Minister's country residence at Chequers. The chief purpose of the visit was to establish more intimate personal relations between the heads of the two States. During their stay in England, which lasted three days, the German Ministers were entertained at a banquet at the Foreign Office and received in audience by the King. At Chequers they had conversations with the Prime Minister and the Minister for Foreign Affairs which did not lead, and had not been intended to lead, to any political decisions, but which gave the British Ministers a useful insight into conditions in Germany.

The announcement made by President Hoover on June 20 that America was prepared to allow a postponement for twelve months of all war debts due to her, provided other countries would do the same, was received in England with the liveliest satisfaction. It was hailed in the Press as a most statesmanlike utterance, which pointed out to the nations the right path to follow in the existing world-wide emergency. It was all the more welcome because it was entirely unexpected. The opinion had long been current in well-informed circles in England that sooner or later America would be forced to take such a step in her own interest, but, according to all accounts, public opinion there was still far from ripe for such a development, and no one dared to hope that the American Government would move much in advance of its own public. The fact that America had at last declared herself willing to abandon the policy of aloofness from European affairs to which she had so long clung produced in England a feeling of deep relief, and was regarded as an excellent omen for the peace and prosperity of the world.

The Government fully shared the sentiments of the public, and

lost no time in giving them expression. On June 22 the Prime Minister stated in Parliament that the Government subscribed wholeheartedly to the President's proposal, and were prepared to co-operate in the elaboration of details with a view of giving it practical effect without delay. To show how thoroughly the Government were in earnest in the matter, two days later (June 24) the Chancellor of the Exchequer announced that as from the 1st proximo Britain would refrain from claiming instalments on inter-Governmental debts that might fall due. They had even gone further, and, although they did not regard President Hoover's proposal as applying to the war debts of India and the British Dominions to the United Kingdom, they had intimated to those countries that they would give them the option of postponing the whole of their war debt payments to Great Britain for twelve months, if they so desired, although they exposed themselves by this course to a loss of nearly 11,000,000l. on the current Budget account. They hoped, however, that that step would be more than justified by the help it would give in reviving confidence and prosperity. Both Mr. Baldwin and Mr. Lloyd George expressed cordial approval of the course which the Government had taken.

When France raised difficulties in the way of accepting the Hoover plan, the British Government at the beginning of July expressed its willingness to hold a meeting of the Powers chiefly concerned in order to see whether an agreement could not be reached. A few days later, France and America actually came to an agreement in principle, but left open several important points. The British Government thereupon sent out formal invitations both for a meeting of experts and a conference of Ministers. As the state of Germany rendered prompt action necessary, the Government confined its invitations to the Powers most immediately concerned, viz., Germany, France, the United States, Belgium, Italy, and Japan. All accepted immediately save France, which at first showed some reluctance to send a Minister to London. Eventually, however, she also consented.

On June 29 the Prime Minister, acceding to a desire of the Conservative Party, made a lengthy statement in the House of Commons on Britain's position in the matter of international disarmament, chiefly with the object of creating, as it were, a favourable atmosphere for the International Conference on Disarmament to be held at Geneva in February, 1931. He gave a number of facts and figures which showed in a striking manner the lengths to which Britain had gone in reducing her military and naval armament in recent years, with the result that both now stood at a level considerably below that of 1914. He contrasted the conduct of Britain in this respect with that of the United States, France, and Italy, all of whom had far larger armaments, either in one arm or both, than in 1924, and were

increasing them every year. He thus made it clear that England, at any rate, was acting up to her professions in the matter of disarmament, and could enter the Geneva Conference with clean hands. At the same time he warned other nations that Britain had now gone to the limit of unilateral disarmament, and that, if her example were not followed, she could not proceed further along the same path. Mr. MacDonald's statement was favourably received by the House, and his policy was heartily endorsed by Mr. Baldwin and Sir Herbert Samuel on behalf of their respective parties.

The voice of Parliament was echoed at a great mass meeting at the Albert Hall on July 11, presided over by Field-Marshal Lord Robertson. The speakers were the Prime Minister, Mr. Baldwin, and Mr. Lloyd George, and all three emphasised the fact that England took her disarmament pledges seriously and expected other countries to do the same. A resolution was carried unanimously welcoming the forthcoming Disarmament Conference, and urging the Government to do all in its power to bring about a real reduction in the Armies, Navies, and Air Forces of the world.

The Finance Bill reached its third reading on July 3. The discussions to which it had given rise had been concerned to a preponderating extent with its land tax proposals. In spite of their zeal for economy the Conservatives did not venture to suggest reductions in the expenditure on the social services, and, much as they blamed Mr. Snowden for his makeshift expedients, they shrank from proposing an increase in taxation, which was the only alternative. Against the land tax proposals, however, they had made a determined fight, and had obtained some success, which might have been still greater had not their opportunities been restricted by the guillotine. Thanks to their persistency the Chancellor of the Exchequer had consented to exempt from the operation of his tax various classes of property, such as land owned by charitable institutions or used for religious purposes. The Liberals on their side had forced him, much against his will, to exempt playing fields and recreation grounds, and had thus to some extent got even with him for the humiliation he had inflicted on them. Through these concessions, added to the reduction of the levy on property already taxed, Mr. Snowden saw the prospective yield of his new tax materially diminished. Nevertheless he declared himself well satisfied with the result of the discussions, as he had retained unimpaired the principle that the land belonged to the community, and that the individual possessor was only entitled to the use of it. In the course of the debate Sir John Simon made a final appeal to his fellow-Liberals to oppose the principle of land nationalisation, which drew upon him a sneering attack from Mr. Lloyd George for posing as the keeper of the Liberal Party's conscience. A Conservative motion for the rejection of the Bill was negatived by 274 votes to 221.

On July 2 a small group of Labour members of the Left Wing

greatly scandalised the rest of the House of Commons by endeavouring to obstruct the officials of the House in their efforts to remove one of their number who had been called upon by the Chairman to withdraw. This member, who had flagrantly disobeyed the Chair, was suspended for the rest of the session. The Government was seriously considering whether to proceed against the others also, when they saved themselves by apologising. This incident strengthened the feeling already prevalent in the House that members suspended for misbehaviour should not be allowed to draw their parliamentary salaries for the time of their suspension. A resolution to this effect was actually drafted, but owing to lack of time, it was not brought before the House.

By this time it had become urgently necessary for the Government to formulate anew its policy for the coal industry. The suspension of the seven-hour maximum for the mines enacted by the Coal Act of 1927 and confirmed by the Coal Act of 1930 was due to lapse on July 8, when, unless fresh legislation should be introduced, seven hours would again become the legal maximum. The owners had warned the miners that if hours were shortened, wages would have to be reduced correspondingly, a proposition with which the miners were by no means disposed to agree. For a considerable time the two parties had been trying to find a *modus vivendi* but so far without success, although the Government had taken an active part as mediator. The chief bone of contention was the question of the recognition by the owners of the Miners' Federation. At length, on July 2, the owners made an offer in which this point was practically conceded. The miners, however, without giving any reason, rejected the offer.

Had the owners' proposal been accepted by the miners, the Government would have had no option but to make it the basis of their contemplated legislation. As, however, it had been rejected, they were free to follow a different course, and they did in fact draft a Bill which in many respects was more favourable to the miners than the terms offered by the owners. It did indeed permit the seven-and-a-half hour day to be still worked and it made no stipulation regarding recognition of the Miners' Federation. But it fixed a time limit of one year for the continued suspension of the seven-hour maximum, and it laid down that during that period wages should not be allowed to fall below their present level. It also abolished the spread-over. The Bill was received on the whole with satisfaction by the miners, but the owners protested energetically that it would add seriously to their difficulties.

In the debate on the Bill it was pointed out by more than one speaker that by stabilising the rate of wages for a year, the Government was practically fixing the date for the next crisis in the coal

a vast scale. It was, however, recognised on all hands that the only alternative to the Bill was chaos in the industry ; hence, in spite of the grave objections against it, the Bill was allowed to pass with almost unprecedented rapidity. The second reading was taken in the House of Commons on July 6, and the remaining stages on the next day ; and on that same day (July 7) the House of Lords passed it through all its stages at a single sitting. Thus peace was preserved in the industry, though the antagonism between the owners and the miners was accentuated rather than diminished.

On July 8 the Minister of Labour moved the second reading of the so-called " Anomalies Bill " which had been drafted in consequence of the report of the Unemployment Insurance Commission. She justified the proposal to leave decisions in the hands of the Minister along with an Advisory Committee on the ground that the method of regulation was necessary for obtaining elasticity in dealing with the innumerable variants of different types of cases. This provision was criticised by the Conservatives, but they offered no opposition to the Bill as a whole, regarding it as a step, though a small one, in the right direction. Naturally, in the eyes of the Left Wing members of the Labour Party it was precisely the opposite, and the attempt to restrict benefit, no matter of whom, was one which they could not leave unchallenged. Disregarding all considerations of party discipline, they not only criticised the Bill, but moved its rejection. They were supported by Sir Oswald Mosley, who broke a silence of many months to make a scathing attack on the Government for seeking to deprive men of benefit instead of trying to find them work. The rebels could only muster nineteen votes on the division, but they kept up the fight manfully all through the Committee stage, proposing innumerable amendments and keeping the House sitting several times till long after midnight and on one occasion till ten o'clock the next morning. The rank and file of the Labour Party was secretly in sympathy with them, and the Government found it advisable to make one important concession to them by consenting to allow short-time workers, even while earning good wages, to continue drawing benefit.

Early in July the Prime Minister announced that the Government, in view of India's financial situation, had undertaken to guarantee the financial stability of the Indian Government. When pressed in Parliament to attach conditions to this promise, he refused to interfere in any way with the fiscal autonomy of India, or to use India's financial embarrassment as a lever for any other purpose. He said that the promise had only been made so that financial worries should not interfere with the progress of constitutional reform, and he promised that no grant or guarantee should be actually given without Parliament being consulted.

A few days later (July 9) a debate was held in the House of

Commons on Indian affairs, which continued to afford ground for grave anxiety. The opener, Earl Winterton, a former Under-Secretary of State for India, criticised somewhat severely the Indian policy of the Government, maintaining that the weakness of the India Office was ultimately responsible for the recent serious riots at Cawnpore, in which several hundreds of people had lost their lives. Mr. Benn, in his reply, contended that in spite of this untoward incident, the state of India taken as a whole was more peaceful than it had been before the Round Table Conference, and that certainly there was much more goodwill and co-operation than there would have been had the Conference broken down. He took occasion to repeat the statement made by the Prime Minister in January, that minorities in India were entitled to receive such guarantees as were required to protect their political liberties and rights. He was warned by Sir S. Hoare that the Conservatives attached the utmost importance to this point, and that while they intended to enter the renewed Conference, they were doubtful whether they would be able to maintain their previous co-operation with the Government. Sir J. Simon cast some polite doubts on the Government's sincerity in the matter, while Mr. Churchill saw in all the trouble the result of trying to keep India out of party politics.

On July 7 the House of Commons passed a money resolution authorising the expenditure of 2,900,000*l.* for the purpose of building some 40,000 cottages to be let at low rentals to agricultural workers. The Rural Housing Bill which followed was criticised by the Conservatives on points of detail, but its purpose was approved on all sides, and it obtained its third reading without a division on July 17. As Chairman of the Advisory Committee to be set up under the Bill, the Minister of Health nominated Sir Tudor Walters, a Liberal expert on housing, whose schemes Mr. Lloyd George had strongly pressed upon the acceptance of the Government.

The Finance Bill was passed—or rather accepted—by the House of Lords on July 14 after a very brief debate. The Electoral Reform Bill was also given its third reading there on July 21, but not before it had been drastically altered in Committee. Plural voting was restored, and the restrictions on the use of motor-cars removed; in fact, practically nothing was left of the Bill which was sent up from the Lower House save the alternative vote, and even this was restricted to London and the larger boroughs. Thus for the second time in the session, the Upper House deliberately challenged the Government on a major issue.

When the Lords emasculated the Agricultural Land Utilisation Bill, the Minister of Agriculture at first declared that he would accept none of their alterations, and that he would if necessary invoke the assistance of the Parliament Act to override their resistance. On further consideration, however, he decided to

proceed in a more conciliatory manner. Accordingly, when the Lords' amendments were considered by the Commons on July 24, he declared his willingness to accept a number of them as they stood, and to discuss others with a view to still further concessions. The Lords were less accommodating, and, while they consented to allow the Bill a duration of eight years, instead of the four which they had originally fixed, they refused to restore the two important clauses which they had deleted—the one establishing an Agricultural Land Corporation to conduct experiments in State farming, and the one empowering the Minister to act in default of county councils which had not provided sufficient small holdings. In his anxiety to get the Bill on to the Statute Book before the end of the session, Dr. Addison yielded on this point also. As he had already abandoned the proposal that the State should provide demonstration farms, save on a strictly economic basis, the Bill when it became law was much less Socialistic and involved much less expenditure than in its original form.

With the Agricultural Marketing Bill—which obtained its third reading in the Commons on July 13—the Lords were more indulgent, and they passed it through all its stages with very little alteration. While, however, Parliament had been discussing these measures, the state of arable farming had been growing steadily worse. On July 21 the Conservatives moved a vote of censure on the Government for its glaring failure to carry out its pledge of "making farming pay"—unless, as one speaker put it, they meant "pay taxes." The Government made the usual defence that the depression in cereal farming was world-wide, and at any rate the Conservatives had done no more for farming when they were in office. The censure motion was negatived by 278 votes to 230. A few days later the National Farmers' Union issued a statement in the course of which it called for the adoption of emergency measures before Parliament rose in order to avert a further withdrawal of land from arable cultivation in the autumn; and a memorial containing the same request was signed by over a hundred and fifty members of Parliament and presented to the Government on July 29. No attention, however, was paid to this request.

On July 22 Sir P. Cunliffe-Lister in the House of Commons criticised the Government for what he called its favouritism to the Soviet Government in the matter of guaranteeing export credits. He complained that in the past six months the total of such guarantees granted in respect of trade with the Soviet Government was greater than that granted in respect of Britain's trade with all her other customers. The Minister for Overseas Trade pointed out in reply that, while the policy of extending export credits to Russia was the Government's, in every transaction they were guided by an Advisory Committee composed mainly of persons appointed by the Conservatives. Among the

strongest supporters of the Government's policy were a Liberal, Mr. E. D. Simon, and a Conservative, Major Glyn. Such criticism as was offered was somewhat half-hearted, and the House was not called upon to vote on the question.

Meanwhile the Conference of Ministers which had been summoned to consider Germany's financial position, had met in London on July 20. The countries represented were, besides Great Britain and France, Germany, the United States, Belgium, Italy, and Japan. The Prime Minister, in opening the conference, emphasised the gravity of the crisis, remarking that if they could not find a solution, no one could foretell the political and financial dangers that might ensue. It was necessary for them to prevent the emergency which had developed in Germany from spreading with ruinous effect to the rest of the world. The problem was, in one word, to restore the confidence of the foreign investor in Germany, a problem which had both political and financial sides, though the mind of the conference was to be concentrated on the latter. For this purpose he suggested two courses. One was to find means of providing new loans or credits to Germany ; the other was to strengthen the internal position of Germany so as to give an assurance of its stability to the outside world. As a first step they had to debate—"with the greatest possible expedition," since "time was against them"—on the means by which Mr. Hoover's offer could be put into effect.

The British public was somewhat disappointed to find that the larger questions of international relationships had been ruled out from the discussions of the conference. It experienced a further disappointment when the conference, after sitting for four days, merely recommended that steps should be taken to prevent any further shrinking of German credit, and left the question of a long-term loan for further consideration. By this time it had become alarmed for the stability of its own financial institutions, owing to the withdrawal by France of gold from the Bank of England on an unprecedented scale. An increase of the Bank rate by 1 per cent, did little to stop the drain ; and a feeling of deep gloom became prevalent in financial circles in the City.

On July 26 the Prime Minister and Mr. Henderson left London for Berlin in order to return the recent visit of German Ministers to Chequers. They had originally intended to go a week earlier, but were detained by the Conference of Ministers. At Berlin they continued the discussions which had been begun at Chequers. On their return on July 29, they declared themselves highly pleased both with the cordiality of their reception and with the results of the discussions, which, though they had led to no definite decision, had undoubtedly strengthened the possibilities of co-operation between the two Governments.

On July 27, in discussing the Vote for the Ministry of Mines in the House of Commons, Sir Herbert Samuel urged the necessity

of taking steps betimes to prevent another crisis in the mining industry when the present *modus vivendi* should lapse in twelve months' time, and made certain practical suggestions to that end. The Minister of Mines in his reply stated that the quota system was working well, but that the process of amalgamation in the industry must of necessity be very slow. He thought, with many mine-owners, that the best hope of the industry lay in international agreements, and he was therefore trying to bring about a conference of the Powers concerned to see how the draft Convention regarding hours could best be simultaneously adopted and applied by all, since he recognised that British miners could not have shorter hours as long as their competitors were working longer.

The report of the Committee appointed by Mr. Snowden in November, 1929, under the chairmanship of Lord Macmillan, to inquire into the relations of finance and industry, was presented to Parliament on July 13. Its recommendations proved to be more novel than had been generally anticipated. With one dissentient—Lord Bradbury—the members of the Committee adopted the view of Mr. Keynes, that the Central Banks of the world should make it their deliberate object to raise prices from their present level to one at which industry could again be carried on at a profit, and that for the better attainment of this object it would be necessary for the monetary system of Great Britain to be "managed" and not automatic, the managing authority being the Bank of England. To enable the Bank the better to fulfil its new function, it was proposed that it should be empowered to issue notes up to a maximum of 400,000,000*l.* and that its minimum gold reserve should be fixed at 75,000,000*l.* At the same time, the Committee emphasised the advisability of the Bank's not only maintaining but even increasing its normal stock of gold and foreign exchanges, in view of London's large liabilities as an international banking centre. An addendum signed by six members, including Mr. Keynes and Mr. McKenna, recommended a "revenue" tariff on all imports, plus bounties on exports, as a method of reducing the real rate of wages and the real burden of debt.

During the last week before Parliament rose, the House of Commons passed in review the work of the Departments on Education, Health, and Home Affairs. In the discussion on the Vote for the Ministry of Health, attention was called to the fact that, in spite of a marked improvement in public health, there had been a great increase in claims for sickness and disablement benefit by insured persons, and fears were expressed lest the abuses of the Unemployment Insurance Fund might be reproduced in the sphere of health insurance. In the debate on the Home Office Vote, the Home Secretary was accused by Conservative speakers of allowing foreigners to invade the already overloaded Labour market, and of granting naturalisation certificates to Soviet agents, but he denied both charges.

While these discussions were proceeding, the House was tongue-tied on the one subject in which it was really interested—the financial situation both at home and abroad. At length, however, on July 30, the second reading of the Appropriation Bill afforded an opportunity of discussing this topic also, even if still with considerable restraint. Mr. Chamberlain asked the Chancellor of the Exchequer "to give the House some indication of his attitude towards what was generally recognised as a position of some seriousness and gravity." He adduced figures to show that the national expenditure was exceeding the national income, and pointed out that foreign observers were aware of this fact and that in consequence British credit was declining abroad. These, he thought, were very serious matters, and he called on the Chancellor of the Exchequer to give some assurance that he realised the urgent need for a reduction of national expenditure, and that he would devote the recess to a thorough and determined examination of the steps necessary to put the situation right.

Mr. Snowden responded to the call with a readiness which seemed to suggest that he had himself asked for it. He first thanked Mr. Chamberlain for having carefully refrained from touching on the international situation, any reference to which might have been prejudicial to the negotiations then proceeding. He agreed with him that it was essential above all things to maintain the confidence of the world in the London money market, and then went on to confirm his pessimistic view of the budgetary position. The outlook for the Budget, he said, unless very considerable economies could be effected, was very serious indeed. England, it was true, was not alone in being faced with an unbalanced Budget, but for England the prospect was more serious because a balanced Budget was essential for the maintenance of her credit. After his own experience he would be chary of making definite pledges, but he would say that he would make every possible effort to balance next year's Budget, although it might involve rather disagreeable consequences to certain classes and certain people. He agreed with Mr. Chamberlain that further taxation was not to be lightly contemplated, and that the proper way to meet their difficulties was by reducing expenditure. But he reminded the House that no Government, and especially one which did not command a majority in the House, could take full responsibility for submitting proposals for a drastic reduction of expenditure; such responsibility must be shared by the House as a whole.

The lessons of this debate were driven home by the publication on the next day (July 30) of the Report of the Economy Committee under the chairmanship of Sir George May, which Mr. Snowden had appointed, somewhat contemptuously, on the request of the Liberals in February (*vide* p. 16). The Committee had come to the conclusion that, if the usual provision

were included for the redemption of debt, the next Budget would show a deficiency of 120,000,000*l.*, apart from any further liabilities which might be incurred under existing or pending legislation. Nor was this gap a transient feature to be bridged by temporary expedients. The country, in the Committee's opinion, had to face the disagreeable fact that it was living beyond its means, that its public expenditure—local as well as national—was too high and must be reduced. For achieving this object it suggested various expedients, conspicuous among which was a reduction in unemployment benefit.

The recommendations of the May Committee met with much adverse criticism, but its description of the financial situation was not called into question. The Government attached great importance to its report, and appointed a committee of five, with Mr. Snowden as chairman, to study it. Parliament was allowed to adjourn as usual for the summer vacation till October 20, but members on parting received warning that they might be summoned to meet again much earlier.

CHAPTER III.

THE FINANCIAL CRISIS AND THE CHANGE OF GOVERNMENT.

WITH the publication of the May Report and the appointment of a Cabinet Committee to consider its recommendations, the Government believed that sufficient had been done in the cause of public economy for the time being. The task of devising means for balancing the national accounts was regarded as one of great importance, indeed, but not of pressing urgency ; and the Committee entered on it without delay, but also without haste. The members took the report home with them to study at their leisure ; and the Prime Minister, who was one of them, after spending a few days in London, withdrew to Scotland, with the intention of returning in about a fortnight. Most of the other members of the Cabinet also left for their holidays.

The determination of the Government to tread the path of economy was viewed with gratification by its political opponents, and produced from them offers of assistance which paved the way for a new disposition of parties. Speaking at Bewdley, on August 5, Mr. Baldwin said that, while the responsibility for dealing with the crisis rested with the Government, the Conservative Party would willingly help them in any effort to reduce public expenditure. Two days later, Sir John Simon, addressing his constituents, tried to rouse the public to a sense of the gravity of the crisis, and said that the Government was entitled to the co-operation of men of all parties in an earnest endeavour to meet it. On the same day, Viscount Grey, speaking as one who had hitherto

supported the Government, advised his fellow-Liberals to withdraw their support unless it adopted a policy of economy. The significance of these offers and warnings lay in the well-known fact that any proposals to reduce expenditure would be highly unpopular with the mass of the Labour Party, and might cause a split among the Government's supporters.

Before Mr. MacDonald had had time to digest these utterances, the call to economise was presented to him in a more peremptory form from another quarter. He had scarcely settled down at Lossiemouth, on August 9, when he received a pressing cry for succour from the directors of the Bank of England. The position of that institution had suddenly become critical. From various causes—one of which was certainly the revelations in the May Report of the unsatisfactory condition of British finances—foreign depositors had again become nervous, and had withdrawn money in large quantities from the Bank. On August 1 the Bank had sought to render its position secure by obtaining credits of 25,000,000*l.* each from the Bank of France and the Federal Bank of the United States. In spite of this precaution there was, on August 5, a serious break in sterling and in British funds. The bankers took alarm, and impressed on Mr. MacDonald the urgent necessity of doing something to restore British credit abroad. Mr. MacDonald took an equally serious view of the situation, and returned to London on August 11. At the same time Mr. Baldwin, Mr. Neville Chamberlain, and Sir Herbert Samuel, who were also in touch with the bankers, returned to London.

Mr. MacDonald's first step was to set the Economy Committee to work in earnest. At the same time he entered into conversations with the Opposition leaders to discover how far he could count on their support and assistance in any endeavours he might make to balance the Budget. He went so far as to suggest that they should join with him in framing proposals. This they declined to do, as they were not willing to assume responsibility for policy without being actually members of the Government; and the formation of a National Government embracing all three parties seemed to be impracticable, largely owing to differences over the question of tariffs. They promised, however, if Mr. MacDonald should submit to them plans which met with their approval, to give him every assistance in carrying them through Parliament. Fortified with this assurance, he threw himself with all energy into the task of helping the Bank of England to restore its shaken credit and to prevent a further flight from the pound.

With this object in view, the Economy Committee, realising the gravity of the crisis, began to work at high pressure. On August 13 they announced their unanimous conclusion that the Budget must be balanced. They also proclaimed that in their endeavours to achieve this end, they would proceed on the principle of equality of sacrifice. By August 18 they had drawn up their

plan, and on the next day they submitted it to a full meeting of the Cabinet, the members of which had been hurriedly recalled to London.

The Committee, in framing their plan, had so far sacrificed their Socialistic principles as to include economies in the social services, and even curtailments of the benefits of the unemployed. Many members of the Cabinet found this a bitter pill to swallow, and some of them canvassed the possibility of a revenue tariff as an alternative means of raising the money required. This suggestion was in the end rejected as impracticable, and after several hours of deliberation the Cabinet agreed on a plan for balancing the Budget by means of a fairly equal use of taxation and economies.

In order to secure the greatest possible measure of agreement, the Prime Minister on the next day (August 20) laid the Cabinet's plan before the Executive of the Parliamentary Labour Party, and the leaders of the Opposition parties who were then in London—Mr. Neville Chamberlain and Sir S. Hoare as representing the Conservatives, and Sir H. Samuel and Sir D. Maclean the Liberals (Mr. Baldwin being still abroad and Mr. Lloyd George being incapacitated by illness). He also took the precaution of submitting it to the General Council of the Trade Union Congress, being aware that that body virtually controlled the votes of the majority of the members of the Labour Party in Parliament.

The next few days were a period of feverish activity for the party leaders, and tense excitement for the rest of the political world, recalling in these respects the days preceding the General Strike in 1926. The task of framing a plan which should be assured beforehand of a majority in Parliament proved to be beset with uncommon difficulties, and was not finally accomplished till a revolutionary change had taken place in the political scene. The Executive of the Parliamentary Labour Party, it is true, were content to leave matters in the hands of the Cabinet. But from the other parties to whom it was submitted, the plan met with an opposition which threatened it with complete shipwreck.

The Conservative and Liberal leaders, speaking on behalf of the great industrialists and the bankers, insisted that the yield to be obtained from economies should be to that from taxation in the proportion of 75 to 25, and not of 50 to 50, as in the Cabinet's plan. This was equivalent to demanding that a serious cut should be made in the payment rates of unemployment benefit, a step not as yet contemplated by the Cabinet. The trade union leaders were equally insistent that on no account should economies be effected at the expense of unemployment benefit or in fact any social services at all. They offered alternative suggestions, and at the same time placed on record their opinion that the seriousness of the financial crisis had been greatly exaggerated—whether from panic or for ulterior motives—by the bankers and

their associates ; that it was no concern of the Government to bolster up the Bank of England or save its directors from the consequences of their own folly ; and that the time had come to place the banks, or at any rate the Bank of England, under State management and control.

The determined attitude taken up by the trade union leaders brought to a head differences which had for some time been festering in the Cabinet. Mr. MacDonald, Mr. Snowden, and Mr. Thomas were of opinion that the Government should seek to act in the closest conjunction with the directors of the Bank of England, while the bulk of the Cabinet, led by Mr. Henderson, inclined to the view of the trade union leaders. As a result of this difference, Cabinet discussions became somewhat heated ; nevertheless, on August 21, agreement was reached on a new plan rather more in consonance with the trade union view than the first. The plan was submitted on the same evening to the Opposition leaders, but they rejected it unceremoniously, and made it a condition of their support that there should be a reduction of at least 10 per cent, in unemployment benefit payments.

The Prime Minister made no difficulty about accepting this condition, but Mr. Henderson and his following declared that on no account could they consent to a step which so outraged their Socialistic and humanitarian sentiments. During the whole of the next day (Saturday, August 22) Mr. MacDonald laboured hard to bring his dissentient colleagues round to his own point of view, but with little more result than to embitter their opposition. Meanwhile, the King, who was then at Balmoral, had decided that it was advisable for him to be present at the centre of events, and he accordingly travelled up to London by the night train, arriving on the morning of Sunday, August 23. In the course of that day he had interviews with the party leaders in order to inform himself of the position of affairs. Further discussions and Cabinet meetings also took place, but without advancing matters to any extent.

Meanwhile the bankers were pointing out that time was pressing, and that there would be another flight from the pound unless something were done quickly to restore British credit abroad. Their representations made Mr. MacDonald more determined than ever to force the economy plan through at all costs. Having now little hope of carrying his Cabinet with him, he adopted the idea of forming a new Government in conjunction with the Opposition leaders, even if this should involve a severance with his present colleagues. Mr. Baldwin (who had now returned to London) fell in with the proposal with alacrity, and Sir Herbert Samuel (who was in frequent consultation with Mr. Lloyd George) no less readily. Having made his arrangements with them, Mr. MacDonald in the afternoon of August 24, handed in his resignation and that of his Ministry to the King, and was immediately

commissioned by His Majesty to form a National Government **for** the express purpose of restoring British credit abroad and maintaining the value of the pound sterling.

To make the position clear to the general public, Mr. MacDonald, immediately on accepting this commission, issued a brief statement of his intentions. The specific object, he said, for which the new Government was being formed, was to deal with the national emergency that then existed. It was not to be a coalition Government in the usual sense of the term, but a Government of co-operation for that one purpose, and when that was achieved the political parties would resume their respective positions. The intention of the Government was to summon Parliament to meet on September 8, and to submit to it proposals for a very large reduction in expenditure, and for the provision on an equitable basis of the further funds required to balance the Budget.

On the day after the resignation of the Government, the Labour organ, the *Daily Herald*, made a circumstantial statement to the effect that the cut of 10 per cent, in unemployment benefit had been inserted in the economy scheme only at the dictation of the American bankers, who had made this a condition of granting a loan to the Bank of England. The story was categorically denied by the American bankers and by Mr. MacDonald and Mr. Snowden, but it continued to find credence with many people, who found it hard to believe that Mr. MacDonald would have consented to this step for any lesser reason. Mr. MacDonald himself explained that he had acted on the principle of demanding "equality of sacrifice," and in the belief that the unemployed themselves would be anxious to contribute their share to the relief of the Exchequer in the national emergency.

The new Cabinet, which was formed within twenty-four hours, consisted of ten members only. Four were members of the Labour Party, viz., Mr. MacDonald, Prime Minister and First Lord of the Treasury ; Mr. Snowden, Chancellor of the Exchequer ; Mr. Thomas, Secretary for the Dominions and Colonies ; and Lord Sankey, Lord Chancellor. There were four Conservatives, viz., Mr. Baldwin, Lord President of the Council ; Mr. Neville Chamberlain, Minister of Health ; Sir S. Hoare, Secretary of State for India ; and Sir P. Cunliffe-Lister, President of the Board of Trade. The Liberal members were Lord Reading, Secretary for Foreign Affairs ; and Sir H. Samuel, Home Secretary.

The occupants of the Governmental posts outside of the Cabinet were recruited almost exclusively from the Conservative and Liberal Parties, and among them were men who had held Cabinet rank in previous Governments, such as Sir A. Chamberlain and Lord Crewe. Mr. MacDonald offered posts to several of his former colleagues, but the great majority refused almost contemptuously to co-operate with him. Only three remained faithful to him—Lord Amulree, Sir W. Jowitt, and Mr. Gillett.

Mr. MacDonald was equally unsuccessful in his efforts to secure a following among the rank and file of the Labour movement. Immediately on taking office, he wrote a private letter to all the Labour members of Parliament justifying the course which he had taken and asking them at least to suspend judgment till he had had an opportunity of explaining his conduct in Parliament. The appeal fell on deaf ears. On August 26 a joint conference of the General Council of the Trade Union Congress, the National Executive Committee of the Labour Party, and the Consultative Committee of the Parliamentary Labour Party passed a resolution declaring that the new Government should be vigorously opposed in Parliament and by the Labour movement throughout the country, expressing approval of the action taken by the ex-Ministers in refusing to join Mr. MacDonald's administration, and recommending the Parliamentary Labour Party to constitute itself the official Parliamentary Opposition. This was followed on the next day by the issue from the same quarter of a manifesto in which the new Government was accused of a determination to "attack the standard of living of the workers in order to meet a situation caused by a policy pursued by private banking interests, in the control of which the public has no part." The manifesto also outlined an alternative policy for meeting the existing emergency (based on the proposals made by the trade union bodies to the Government on August 21), the chief features of which were the mobilisation of foreign investments, the temporary suspension of the Sinking Fund, and the increased taxation of fixed-interest bearing securities and other unearned income. On the next day (August 28) the resolution and the manifesto were endorsed by a full party meeting, which however showed no rancour against Mr. MacDonald, and gave a cordial welcome to Lord Sankey when he expressed a desire of addressing it. The meeting also elected Mr. Henderson Chairman of the Parliamentary Labour Party, in place of Mr. MacDonald, and leader of the Opposition in the House of Commons.

The antipathy of the central organs of Labour to the Government was reflected in the behaviour of the local bodies to its Labour members and followers. Mr. MacDonald was expelled from the Hampstead Labour Association, and the Labour organisation in his constituency, Seaham, called upon him to resign his seat. Mr. Snowden saved himself from a similar demand by announcing that he would not again stand for Parliament, on account of ill-health. Mr. Thomas, who was Secretary of the National Union of Railwaymen, was ordered by the Executive of that body to resign his seat in the Government under pain of being deprived of his secretaryship. To avoid this indignity, he voluntarily resigned, thus forfeiting his legal right to a pension. Both he and other Labour supporters of the Government were also asked to resign their seats.

If the Labour Party was all but solid in opposition to Mr. MacDonald, the other parties were even more solid in his support. In consenting to accept office under him, Mr. Baldwin and Sir Herbert Samuel had acted without a direct mandate from their respective parties, though they had been well aware that they had the full concurrence of the bulk of their followers. At party meetings held soon after the formation of the new Government, their action was fully endorsed without any dissentient voice being raised.

Being thus made reasonably sure of a majority in Parliament, the Government began work without delay on the preparation of bills to lay before Parliament for the balancing of the Budget. They found the economy plan drawn up by the previous Government an excellent basis to go upon, and their task was thus greatly facilitated. They made such rapid progress that their scheme was ready in three days, and they were able to issue a definite summons to Parliament to meet on September 8, as originally intended.

As a result of Mr. MacDonald's decision to form a National Government, foreign confidence in Britain was restored, just in time, according to the bankers, to prevent a serious break in sterling. The Bank of England, on August 28, was able to obtain credits of 40,000,000*l.* each from France and the United States, and the general opinion was that with this sum in hand it would be able to meet all calls that might be made upon it.

The sixty-third Congress of the Trade Unions, which opened at Bristol on September 7, afforded the members of the General Council an opportunity of explaining and justifying to the rank and file of the movement the part which they had played in the recent political crisis. Mr. Hayday, the President, in his opening address, sought to represent them as the defenders of the working classes against a sinister attack by the banks and financial interests on their standards of living. He elaborated the theory of what was known in Labour circles as "the bankers' ramp"—a financial crisis deliberately engineered for the purpose of forcing Britain to curtail its expenditure on social services, and so remove one of the chief barriers to a reduction of the wage level. All political parties, he said, with the exception of their own, along with the Government of the day, had come under the dominance of finance. In this emergency it was the courageous and determined action of the authoritative bodies in the Labour and trade union movement which had saved the working-class organisation from destruction. By their decisive repudiation of the new Government and of those who dictated its programme, they had regained for the movement freedom of action and unity of purpose at a smaller cost than had appeared at one time possible. The loss they had sustained in the crisis was compensated by what they had gained in clarity of vision, unity of purpose, and strength of will.

Mr. Citrine, the general secretary of the Congress, then gave a detailed account of the discussions which had taken place between the General Council and the Labour Cabinet. On August 20, he said, at a joint meeting of the General Council, the Labour Party Executive, and the Cabinet Economy Committee, Mr. MacDonald made a speech in which he informed them that the Committee, in order to balance the Budget, had reluctantly considered economies which in ordinary circumstances they would never have asked the Labour movement to accept, but he gave not the slightest indication of what they were—a treatment which the members of the Council strongly resented. It was only by dint of great pressure that a more detailed statement was extracted from Mr. Snowden. The Council was anxious to help and not to embarrass the Government, but after four hours' deliberation they came to the conclusion that the policy proposed by the Government was economically disastrous, and that they could not subscribe to it. When they met the Cabinet again on the same night, and submitted their alternative proposals, Mr. Snowden once more impressed on them the gravity of the crisis, and some of them came to the conclusion that at least two members of the Cabinet had made up their minds so firmly that nothing would alter them. The Council in the end told the Committee that they were being stampeded by forces which they knew to be operating, and that if they were going to allow themselves to be dictated to, they would not have the assent of the Council.

The political activities of the General Council met with no criticism, and were endorsed by the Congress with an overwhelming majority. A disposition showed itself at times to find fault with the members of the late Labour Government, but when Mr. Henderson addressed the Congress on September 10, in the character of fraternal delegate, he was given a most cordial reception, although he made some damaging admissions as to the length to which he had gone in consenting to economies. Recognising the need for Labour to present a united front, the Congress was willing to let bygones be bygones, and for this reason it forbore to give vent to a number of grudges which it had been cherishing against the late Labour Government.

On September 11 the Congress considered two suggestions put forward by the General Council for the revival of national prosperity. One was the devaluation of the pound to the 1924 level, and the other the imposition of a revenue tariff. The Congress found no difficulty in accepting the first, but the second it referred back to the General Council for further inquiry and examination.

In the industrial field, the only debate of importance took place on the question whether the policy of collaboration with the national employers' organisations on large questions of industrial policy should be continued. The opinion was general in

the Congress that the results of this policy had so far been disappointing, and that the hopes entertained two or three years previously of a new era in industrial relations had not been fulfilled. Mr. Bevin laid the chief blame for this on the employers' organisations, which, he said, had not preserved the spirit of the Mond-Turner Conference, but he also found fault with the trade unions for not turning to proper account the reports of that body. In the end the action of the Council was approved.

On the eve of the meeting of Parliament, the King set a notable example of economy by offering to forgo 50,000*l.* in his Civil List during the national emergency. The Prince of Wales at the same time offered to contribute 10,000*l.* from the revenues of the Duchy of Cornwall. Both offers were accepted with warm thanks by the Prime Minister.

At the same time that he announced these gifts, the Prime Minister issued an appeal to the nation to give to the Government its confidence and to banish from its mind all notion that the crisis was not a real and dangerous one or that it could have been met with any measures less vigorous than those which they would ask Parliament to sanction. It was due to the decision and speed with which they had acted that the House of Commons was meeting to deal not with a condition of financial collapse but with proposals for averting that grim possibility.

When the House of Commons met on September 8, the Labour members duly ranged themselves on the Opposition benches, facing their quondam leader. Proceedings commenced with the reading of a brief message from the King, signed by his own hand, stating that the present condition of the national finances, in the opinion of His Majesty's Ministers, called for the imposition of additional taxation and for the effecting of economies in the public expenditure, and asking the Commons to make provision accordingly.

The Prime Minister then, under the form of a resolution setting up the Committee of Ways and Means, asked the House for a vote of confidence in the new Ministry. He explained to the House that from the moment when he received a message of alarm from the Bank of England on August 8, he had made up his mind that a crisis was impending which it was the duty of the then existing Government to face, in co-operation, if possible, with the other parties. Before long it became clear that it was of vital importance for the Bank of England to obtain foreign credits, and that those credits would not be forthcoming unless the Government showed its ability to make the national accounts balance. The Government therefore set to work to produce a scheme of economies which would secure the desired loan ; and naturally the scheme had to be one which would satisfy the representatives of the Bank of England. Mr. MacDonald here remarked with some warmth that the banks had on no occasion interfered with political

proposals, but had confined themselves to giving expert advice as to the effect of the proposals on the yield of the loan. If the Government, he continued, had not taken the course it did take, sterling would not merely have gone off the gold standard but would have tumbled off, with results disastrous to the purchasing power of British money. The new Government had already shown itself not merely useful but necessary to the country, and it was the duty of himself and his colleagues to remain in office until the crisis was past and the world was convinced once again that sterling was unassailable.

Mr. Henderson, in opposing the motion, took his stand on the principle that the State should go for money to those who had most, and not to those who had least. Unlike the trade union leaders, he did not minimise the gravity of the crisis or cast aspersions on the bankers. He admitted that for the purpose of obtaining foreign credits it was necessary that the Budget should be balanced, but he would not admit that it was necessary to balance the Unemployment Insurance Fund also. He had, he said, sufficient faith in international friendships to believe that foreign countries would have come to the help of Britain even without this, and in any case he thought that in their own interests they could not allow the pound to collapse. While therefore he had been prepared to go a considerable way with the Prime Minister, he could not condone his willingness to reduce unemployment benefit.

Mr. Baldwin, in the course of the debate, explained how he came to join a National Government, with the unanimous consent of his party. He had at first, he said, been strongly averse to the idea of such a Government, being aware that those who entered it would be required to sacrifice some of their principles, which was a bad thing for public life. Accordingly, when the Prime Minister first approached him, on August 13, he had promised him no more than Parliamentary support for any scheme he might devise for dealing with the crisis, the acuteness of which he fully realised. At that time he thought that the Labour Government was competent to frame such a scheme. Ten days later, however, he found that this was not the case, and as immediate action was necessary to save *the* credit of the country, he willingly acceded to Mr. MacDonald's proposal that he should join the Government for the express purpose of balancing the Budget and carrying through the necessary economies. There was no question here, therefore, of a subordination of principle.

In the division, 311 members voted for the motion and 251 against, so that the Government had a majority of 60. The majority was made up of 243 Conservatives, 53 Liberals, 12 Labour members, and 3 Independents. The minority consisted of 242 Labour members and 9 Independents.

Being thus sure of its majority, the Government proceeded

to introduce its financial scheme. This was in two parts—a Budget imposing new taxation, and an Economy Bill prescribing "cuts" in various Government grants. Mr. Snowden introduced the Budget on September 10. He prefaced his statement by remarking that the sacrifices for which he was about to ask and the burdens he was about to impose were necessary to avoid far greater sacrifices and burdens. An unbalanced Budget was regarded as one of the symptoms of national financial instability, and this was something which England could not tolerate for her own sake, apart altogether from its effect on foreign opinion.

Mr. Snowden then proceeded to lay before the House his estimate of next year's deficit. He was faced, he said, with a very sharp fall in revenue, which could not be put at less than 25,000,000*l.* on Inland Revenue and 4,000,000*l.* on Customs and Excise. The suspension of war debt payments under the Hoover plan would involve them in a net loss of about 11,000,000*l.*, and there were supplementary estimates for nearly 1,000,000*l.* In addition, the Government had decided that borrowing for the Unemployment Fund and the Road Fund must cease, which meant a further loss of revenue of 34,000,000*l.* Thus the total estimated deficit on this year's Budget would amount to 74,000,000*l.* In the following year, according to Mr. Snowden, in consequence of the closing of certain sources of revenue which he had used for his last Budget, the deficit, on the existing basis, would be not less than 170,000,000*l.*

After stating that he proposed to obtain 13,500,000*l.* in each year by a reduction of the Sinking Fund, Mr. Snowden proceeded to set out the new taxation which he intended to impose. The standard rate of income tax would be raised by sixpence, to 5*s.* in the pound ; but in order that this might not affect industry injuriously, the allowance for depreciation of plant would be increased by 10 per cent. Surtax was also to be increased. Exemption from income tax would cease at a lower limit, as personal allowances to single persons would be reduced from 135*l.* to 100*l.*, and to married persons from 225*l.* to 150*l.* Children's allowances would also be reduced, and payment of the standard rate would commence at 175*l.* instead of 250*l.* From these sources he expected a yield of 25,000,000*l.* in the current year and 51,500,000*l.* in the next. Through indirect taxation he proposed to raise 11,500,000*l.* in the current year and 24,000,000*l.* next year by means of increases of 1*d.* a pint on beer, 8*d.* a pound on tobacco, 2*d.* a gallon on petrol, and a slight increase in the entertainment tax.

In concluding his statement, Mr. Snowden made reference to the gratifying evidence which his postbag was bringing every day of the willingness of the nation, men and women of all classes, to contribute to the national effort. Old-age pensioners, he said, had returned their pension books, war pensioners had offered to

forgo their pension for the year, national war savings certificates had been returned cancelled, postal orders, large and small, had poured in, and Five Per Cent. War Loan Bonds had been returned to him to be cancelled.

In normal times Mr. Snowden's taxation proposals would have roused the ire of the Conservatives and delighted the Labour Party. On this occasion, however, the Conservatives cheered him to the echo, while the Labour members hurled at him a shower of jeers and taunts, less perhaps for what he had said than for what he still had in reserve. Mr. Graham, who acted as their spokesman, had not a word to say against the new taxes, but directed all his criticism to the maintenance of the Sinking Fund at a figure of over 30 millions. He held that the Chancellor would have been quite justified in suspending the Sinking Fund altogether, and had he done so there would have been no need to reduce unemployment benefit and make other economies. After some further debate, in which Mr. Runciman, a staunch Free Trader, suggested that the importation of luxury articles should be banned, as in the war, the Budget resolutions were agreed to without a division.

At the same time that Mr. Snowden laid his taxation proposals before the House of Commons, a memorandum was issued setting forth the economies by which the Government intended to reduce expenditure. It was proposed that, as from October 1, the salaries of Ministers of State should be reduced by from 10 to 20 per cent., according to their amount; the allowances made to members of Parliament by 10 per cent.; the salaries of judges by from 10 to 20 per cent, according to amount; the salaries of teachers paid by the State by an average of 15 per cent.; and the remuneration of insurance doctors and chemists by one-ninth. Graduated reductions beginning with five shillings a week were to be made in the wages of the police force, and curtailments, including reductions in pay and pensions, were to be made in the estimates for the Defence Services in 1932 of 8,600,000l. Finally, rates of grant for unemployment relief works were to be curtailed, and weekly benefit rates were to be reduced by 10 per cent.; while, in order still further to reduce expenditure under this head, payment of insurance benefit was to be limited to twenty-six weeks in one year, and a needs test was to be instituted for transitional payments. At the same time, the weekly contributions to the Insurance Fund from the employers, the employed, and the Exchequer were to be increased to 10d. each in the case of men and correspondingly for women and other classes. It was calculated that the savings thus effected would amount in the current year to 22,000,000l., and in the next year (along with a saving of 7,865,000l. on the Road Fund) to about 70,000,000l. These sums, it was estimated, added to the yield of the new taxation and the reduction in the Sinking Fund,

would enable the national accounts to show a slight surplus in each year.

The second reading of the National Economy Bill embodying these proposals was moved by the Prime Minister on September 11. The actual economies which it prescribed were not the only unpopular feature in the Bill; the method laid down for their execution was equally calculated to offend public sentiment, as it empowered the Government to proceed for one month by the method of Orders in Council, instead of asking permission from Parliament for each separate step. Mr. MacDonald first dealt with this provision, justifying it on the ground that the crisis demanded prompt and almost simultaneous action over the whole field of expenditure, which would be impossible if they had to come to Parliament every time they had to act. To disarm the Labour opposition to the economies themselves, he laid stress on the fact that his former colleagues before they resigned had agreed, if only provisionally, to economies totalling 56,000,000*l.*, which was only 14,000,000*l.* less than the sum provided by the Bill. He admitted that the cut in unemployment benefit was a great bone of contention, but he pleaded on behalf of this also that, through the fall in the cost of living, the recipients, even after the reduction, would be no worse off than they were in 1929. It was better in any case to make the reduction straightforwardly than indirectly by imposing a revenue tariff or allowing the value of the currency to decline.

Mr. Clynes moved the rejection of the Bill on the ground that it abrogated Parliamentary control, and that it did not exact equality of sacrifice as between rich and poor, since it left the former their luxuries and deprived the latter of their necessities. Many Ministerialist speakers also expressed qualms about the Orders in Council, but accepted them as an emergency instrument. Mr. Thomas reminded his former colleagues that they had agreed to every one of the economies contained in the Bill, with the exception of the cut in unemployment benefit, so far, at any rate, as to commission the Prime Minister to lay them before the Opposition leaders. He was subjected to constant interruption from the Opposition benches, but his revelations were fully confirmed by Sir Herbert Samuel. The second reading of the Bill was eventually carried by a majority of 57.

The proposed economies of the Government were not accepted passively by several of the classes at whose expense they were to be made. When the reductions in naval pay were announced to the members of the Atlantic Fleet, which was then assembled at Invergordon for the autumn manoeuvres, a number of the lower naval ratings showed such a spirit of unrest that the Admiralty deemed it prudent to cancel the manoeuvres and order the ships back to their ports. The outbreak was largely due to a misunderstanding, and discipline was restored on the Commanding

Officer promising to make representations to the authorities that the reductions pressed with undue hardship on certain classes.

Another class which refused to suffer in silence was the teaching profession. The reduction of 15 per cent, which the Government proposed to make in their salaries was considered disproportionate even by many of those who in the main approved of the Economy Bill. A section of the teachers made loud and organised protests, some of them of a nature which many of their confreres thought to be beneath the dignity of the profession, such as organising street processions. The doctors and the police also regarded themselves as being penalised, and clamoured for some alleviation.

Among the unemployed also the news that their allowances were to be diminished caused a not unnatural ferment, which Communist agitators did their best to exploit. Symptoms of unrest appeared at various places, and stringent police precautions were taken by the authorities. In spite of these, outbreaks of some seriousness occurred at Salford and Glasgow on October 2, when clashes took place between the unemployed and the police, in which a few persons were injured and some damage was done to property. After this, however, the unemployed in the main accepted the position.

In the debate on the Budget resolutions on September 15, Sir John Simon, who had for some time been toying with the idea of Protection, declared that he had at last become convinced of the necessity of a tariff. The fact which had weighed with him was, he said, that Great Britain was now barely paying for her imports even with the aid of the interest from her oversea investments. As there was but little hope of increasing exports, it seemed to him that an effort should be made to prevent a hiatus by making it more difficult to import. In the same debate, Mr. Churchill also declared his strong belief in the necessity of a tariff for dealing with the present emergency.

Parliament had not proceeded very far with the discussion of the financial bills when its attention was demanded for fresh legislation of extreme urgency arising out of the banking situation. On September 21 the Bank of England warned the Prime Minister that gold was again being withdrawn in large quantities by foreign depositors. This action was attributed in part to loss of confidence caused by exaggerated reports of the naval trouble. The drain continued on the next day, and the Bank thereupon requested the Government to release it from the obligation imposed on it by the Gold Standard Act of 1925 of selling gold at a fixed price. The Government thereupon, on September 20, issued a statement pointing out that since the middle of July funds amounting to more than 200,000,000*l.* had been withdrawn from the London market; that the credit of 50,000,000*l.* raised by the Bank of England in August was already exhausted, and

the subsequent credit of 80,000,000*l.* had been largely eaten into, so that the gold holding of the Bank amounted to not more than about 130,000,000*l.*; and that, as further demands were likely to be made upon the Bank, it was deemed prudent to release it from the obligation of paying out in gold, and the Government would therefore immediately bring a Bill into Parliament for this purpose. As a further precaution, the Stock Exchange was closed the next day.

On the next day (September 21) the Chancellor of the Exchequer formally moved in Parliament that the section of the Gold Standard Act making it obligatory for the Bank of England to sell gold should be suspended until further notice. This step, he pointed out, had been necessitated by a chain of events commencing with the collapse of the chief bank in Austria in May, and the crisis which followed in Germany. The ultimate cause was the unequal distribution of the world's supply of gold, due to the selfish action of two countries. It was, however, in justice to be pointed out that, if America and France had been largely responsible for Britain's financial trouble by their policy of hoarding gold, their banks had come to the assistance of the Bank of England in the most generous manner in this crisis. The economy efforts of the Government had unfortunately not availed to save sterling from being pushed off the gold standard, but they would at least serve to make the consequences of that step far less serious than they otherwise would have been. The Budget being balanced, they had no need to resort to currency inflation, and therefore the situation could be faced with calmness.

Mr. Snowden's admission that the Government had failed in its immediate object was seized upon by Mr. Henderson as a reason for urging it to modify those provisions in its economy plan which bore hardly upon the most necessitous, but his appeal met with no response. On a Bill embodying Mr. Snowden's motion being introduced, its rejection was moved by the Left Wing of the Labour Party, but the second reading was passed by 275 votes to 112, and it was carried through all its remaining stages in the course of the same day.

At the same time that it formulated its own plan for economising in the field of national expenditure, the Government issued a circular to the local authorities suggesting the line which should be followed in dealing with local expenditure. While advising that the greatest care should be exercised in the fixing of rates, it uttered a warning against any wholesale and ill-considered cutting down of expenditure, irrespective of its purpose or character. Certain branches of expenditure, it pointed out, might be likely to prove remunerative at once or in the near future, or might be required on grounds of public health or of similar urgency, or, by providing employment, might prevent charges being thrown on local or national funds. These questions, it was suggested, should

be carefully considered by committees appointed for the purpose. The authorities were also recommended to go into the question of the remuneration of their employees, and to impress on them the necessity of sacrifice.

Appeals were also made by the Government to the individual citizen to assist it in its task. The Chancellor of the Exchequer, on September 16, caused it to be stated in the House of Commons that any British citizen who purchased foreign securities himself or assisted others to do so was thereby increasing the strain on the exchange and so deliberately adding to the country's difficulties. On the next day, in a letter addressed to a correspondent, the Prime Minister impressed on the public the obligation of "wise and courageous expenditure," provided that in such expenditure care was taken to demand only British labour and its products, so that not a shilling's worth more of goods should be imported than was necessary. This appeal was addressed particularly to wholesale houses and shopkeepers, who, it was pointed out, by a voluntary effort of this land, could do much to diminish the adverse balance of trade.

The Government decided to allow four days each for the discussion of the Finance Bill and the Economy Bill. The Labour Party opposed both, the former somewhat languidly, the latter with constantly increasing vehemence. The Government in the course of the debates made concessions to the sailors, and also to the teachers, the police, and the insurance doctors and chemists, fixing 10 per cent, as the limit of the reduction to be imposed upon them. By means of departmental economies, it found itself able to do this without upsetting the equilibrium of the Budget. The Opposition made desperate efforts to secure similar concessions for the unemployed, and some of the Ministerialists showed a disposition to support them, but the Government remained obdurate.

In the debate on the third reading of the Economy Bill, on September 29, the Opposition case was summed up by Sir Stafford Cripps, who had been Solicitor-General in the Labour Government, in a speech which was greatly relished by his own side of the House. He denounced the Bill as a panic measure, conceived in the selfish interests of financiers and capitalists, to avert the inevitable consequences of a capitalist system. He maintained that whatever justification it might once have possessed had vanished as soon as the country went off the gold standard. He charged the Government with being the instrument of a capitalistic plan to depress wages, since the scale of unemployment allowances was the bulwark of wage rates, and it was to be swept away "in a frenzy of flag-waving." Finally he declared that the forces of finance and industry must be brought under the control of the House of Commons. The speech was characterised by a Conservative member, Mr. Boothby, as "an unusually well-expressed

illustration of the sentimental claptrap which we have come to associate with the official Opposition," and the third reading of the Bill was carried by 297 votes to 242—a majority of 57.

The debate on the third reading of the Finance Bill, on October 2, was closed by Mr. Snowden with a trenchant exposure of the absurdities of the Opposition case. The Government's scheme, he said, was just such a one as the late Cabinet would itself have introduced had not the members been dismissed from their offices. He complained bitterly that the warnings he had given in February about the financial condition of the country had been completely unheeded by his late colleagues, and that in answer to his arguments they had merely "talked their usual claptrap about going to the supertax payer." He had tried to teach them, and he was terribly disappointed that his teaching had been neither understood nor appreciated. He twitted the Opposition leaders with being willing to impose a tariff which would raise the cost of living for the poorest classes, and to go to the "wicked bankers and avaricious investors" to borrow money for the Unemployment Insurance Fund! In conclusion, he pointed out that to remedy the financial position of the country a great deal remained yet to be done, but the balancing of the Budget was the first step; it placed the internal resources of the country on a sound basis, and, as had been said by the President of the League of Nations Assembly, it was an example of the excellent determination of the British people to face their difficulties courageously. The third reading was carried without a division.

As a pendant to the suspension of the gold standard, the Government, on October 5, brought in a Bill investing itself with emergency powers to prevent profiteering in foodstuffs. There was no immediate need of such a measure, as so far traders had not raised prices even to the extent to which they might have been justified in doing for purposes of replacement; but the Government thought it advisable to take precautions for the protection of the public. After some rather captious criticism from the Socialist benches, the second reading was carried by 157 votes to 44, and the third reading was carried without a division on the next day. On the same day, too, the Commons passed a Bill maintaining for one year the *status quo* in the matter of the Sunday opening of cinemas, *i.e.*, legalising the opening of those cinemas which had already obtained permission from the local authorities.

According to the strict letter of the statement made by Mr. MacDonald when he took office on August 24, the Government, having carried through its measures for making the national accounts balance, should now have resigned and left party politics to resume their normal course. In the interval, however, the departure of Great Britain from the gold standard had created

a new situation which required to be considered on its merits. There was no telling as yet what might be the consequences of this step, and to what extent it might nullify the efforts of the Government to balance the Budget. Its immediate effects had, it was true, been almost entirely beneficial. After dropping rapidly to a gold value of about sixteen shillings, the pound had remained fairly stable, with the result that the export trades had received an excellent fillip while internal prices had been practically unaffected. But it was recognised by all competent judges that the position was precarious, that so long as the pound was not anchored to gold or to some other support, the danger of a currency collapse still impended over the country, and that to avert this calamity a strong National Government was still essential.

In spite, therefore, of having completed his programme, Mr. MacDonald had every justification for holding that in the public interest it was advisable, if not even necessary, that the Government he had formed in August should continue to remain in office, retaining the same character if not entirely the same personnel. This opinion was fully shared by his Labour and liberal colleagues. If any of the Conservative members of the Cabinet thought that the time was now ripe for a purely Conservative Ministry, they were overruled by Mr. Baldwin, who had of his own accord suggested to Mr. MacDonald that he should keep the National Government in being. Thus, before the *end* of September, there was a consensus of opinion within the Cabinet itself that it should not, as originally intended, resign, so soon as its economy scheme had been accepted by Parliament, but that it should seek what was called a "doctor's mandate" to go on prescribing for the country's ills until the patient should be out of danger.

Agreement having been reached on this point, two questions arose of great complexity, which threatened between them to frustrate the desire of the Cabinet for exceeding its original mandate. One was, what place was to be assigned to tariffs in the Cabinet's programme? So far it had been possible to keep this bone of contention in the background, but obviously it was bound to come to the front so soon as the problem of reducing the adverse balance of trade, which was the ultimate cause of the weakness of sterling, should be seriously considered. The Conservative Ministers were of opinion not merely that a tariff was advisable, but also that it was desired by the majority of the nation. Sir Herbert Samuel and Mr. Snowden, on the other hand, were strongly opposed to any departure from Free Trade principles.

The other question which perplexed the Cabinet was whether they should continue to work with the present Parliament or seek a new mandate from the country at the earliest possible moment. There was much to be said both for and against an

immediate General Election. On the one hand, it could be argued that the Government, being more or less self-constituted, was in an anomalous position until it should be confirmed by the national voice, and also that its majority in Parliament was precarious, and did not afford a basis for further action. On the other hand, it was greatly to be feared that a General Election at the present juncture would throw the country into a turmoil which would weaken foreign confidence and so undo the good work which the Government had accomplished, and gravely endanger the pound. Opinion in the Cabinet was sharply divided on this point also. The Conservatives, in the confident expectation of securing an increased representation and a mandate for tariffs, were in favour of an election at the earliest possible moment; they had in fact begun to agitate for it almost as soon as Parliament met. The Liberals, for the same reasons, were as strongly against it; Sir Donald Maclean went so far as to speak of it as "autumn madness."

The Prime Minister, sensible of his responsibilities as head of a National Government, bent all his energies to the task of preserving unity in the Cabinet. For this purpose, though he inclined himself to the view of the Liberals, he sought to moderate their hostility both to tariffs and to an immediate election. At the same time he besought the Conservatives to be less insistent on a tariff, and to be content with an undertaking that in considering the measures required for meeting the national emergency, the Government would not exclude tariffs from its purview. Mr. Baldwin declared himself satisfied with this arrangement, and used his influence to procure its acceptance by his fellow-Conservatives.

On the Liberal side also, Mr. MacDonald was not without support from the first. On September 25 some thirty Liberal members of Parliament, led by Mr. Hore-Belisha, informed the Prime Minister that they were prepared to support him in any steps he might deem it necessary to take in the interests of the trade and finance of the country. On the other hand, Mr. Lloyd George (who was now convalescent, though still unable to take an active part in affairs) had declared himself to be uncompromisingly opposed to an immediate General Election, and had advised Liberals, if an election should be forced upon them, to fight it on the issue of Free Trade, though on the other hand, if there should be no election, he declared himself willing to consider the question of tariffs. Sir Herbert Samuel, whom Mr. MacDonald was most anxious to retain in the Cabinet, inclined to this view, and he embodied it with much force in a memorandum which he laid before the Prime Minister on September 25, and which was taken to represent the fixed determination of the Liberals who followed his lead.

In this posture of affairs, the Prime Minister laboured hard

for several days to find a formula on which both the Free Traders and the Protectionists in the Cabinet could agree. In the meanwhile the Conservative Party grew more impatient for a General Election, and it became obvious that the Prime Minister could not long resist their pressure. Fortunately for his designs, the resistance of the Liberals at the same time weakened. Lord Reading had from the first shown an accommodating spirit, and though he could not alter Mr. Lloyd George's views, he exercised a certain influence with Sir Herbert Samuel. On October 5 Sir John Simon, declaring that the game of formula-hunting had gone on long enough, announced that he was forming a new organisation for the special purpose of supporting the Prime Minister, and he was at once joined by about twenty-five Liberals. Meanwhile, though the desired formula had not been found, the Free Traders and the Protectionists in the Cabinet had drawn appreciably nearer. The latter had waived their demand that tariffs should be actually included in the Government programme, while the former had expressed their willingness to consider them as an emergency measure, even if Parliament should be immediately dissolved.

The Prime Minister had still to reckon with the hostility of Mr. Lloyd George, and to overcome this he made a journey to his country house at Churt on October 5. The interview was fruitless, but its ill-success did not make any difference to the Premier's plans. Although the Cabinet failed to discover a "formula" to their satisfaction, yet in the search for one they had attained a measure of unity which enabled them to dispense with it. On October 5, after Mr. MacDonald's return from Churt, they decided unanimously to go to the country as a National Government, asking for a new lease of power under Mr. MacDonald's leadership. It was agreed that each party should fight for its own hand, and that there should be no "coupons," as in 1918, but that the points of agreement between them should be emphasised, and those of difference kept in the background, and that every effort should be made to prevent conflict in the constituencies between supporters of the National Government from different parties. The programme of the National Party was to be simply a "free hand" to deal with the crisis by means of any measures which should be judged expedient.

Mr. Baldwin's action in consenting to this arrangement immediately obtained the hearty approval of the Conservative Party, both in Parliament and outside. Sir Herbert Samuel met with a very different reception. In some quarters he was accused of not having made a sufficiently firm stand on behalf of Free Trade, and he narrowly escaped a vote of censure from a gathering of Liberal members of Parliament. Mr. Lloyd George was especially indignant with him. He stigmatised his decision not to oppose an immediate General Election and to commit

himself to the consideration of a tariff policy as a gross betrayal both of his country and his party, and he appealed to **Liberals who still** believed in Free Trade to unite determinedly in its defence.

In accordance with the Cabinet's decision, Mr. MacDonald interviewed the King on the morning of the next day (October 6), and in the afternoon announced that Parliament would be dissolved almost immediately, and that polling for a new Parliament would take place on October 27. Business was accordingly wound up with all dispatch, and the dissolution took place on October 7. On the same day Mr. MacDonald issued an "Appeal to the Nation," asking that the National Government, which had been formed six weeks before to meet a sudden crisis, should be given a new lease of power. They were still in times of exceptional urgency and exceptional conditions which demanded exceptional treatment. The Government therefore would have to be free to consider every proposal likely to help, including tariffs. It was the intention of the Government to be comprehensively national and not sectional in the obligations which it undertook. It did not desire that the various parties should lose their political identity, but it pleaded for national co-operation between parties—all the parties, if that were possible—which was as essential now as it had been in August.

Just before the dissolution, the annual conference of the Labour Party opened at Scarborough (October 5). The report of the Executive Committee, which had been issued on September 25, provided a fresh version of the governmental crisis in August. This version contained no new revelations, but brought into clearer relief the attitude of the Executive. At the joint meeting of this body with the Cabinet Economy Committee and the General Council of the Trade Union Congress on August 20, Mr. Snowden, it was stated, indicated the Committee's proposals for cutting down expenditure, "which did not include any reduction in unemployment benefit," and Mr. Henderson laid stress on the same point, and it was only then that the Executive agreed "to leave matters in the hands of their Ministerial colleagues in the Cabinet." The General Council of the T.U.C., however, took a different view from the first, expressing complete opposition to the Cabinet Committee's economy suggestions, and putting forward an alternative scheme of their own. Later it transpired that "the representatives of the two Oppositions had insisted that further heavy cuts in expenditure should be made, largely at the expense of the unemployed," and this was the point on which Cabinet agreement could not be secured.

The conference dealt with two main questions—one, the relations of the party to the Independent Labour Party, and the other, the party programme for the General Election which now seemed to be impending. Relations between the **I.L.P.** and the

Executive of the Labour Party had long been strained on account of the liberty of action which the former insisted on retaining for itself and which the Executive considered to be inconsistent with loyalty. The Executive had for a long time been trying to induce the I.L.P. to rescind the resolutions of the Carlisle and Birmingham Conferences imposing conditions on I.L.P. members and candidates which made them practically a "party within a party," and encouraged disloyalty to the decisions of the Parliamentary Labour Party. The I.L.P., in reply, pointed out that more than 120 members of the Parliamentary Labour Party had voted in opposition to the Labour Government on one occasion or another, and drew the conclusion that the present Standing Orders were "disastrous in principle and unworkable in practice." The Executive now proposed that in order to tighten up discipline the party's endorsement should not be given to any candidate who did not undertake to accept and act in harmony with the Standing Orders of the Parliamentary Party, and that any candidate who after election should have disregarded these orders should be held to have violated the party's constitution.

When this proposal came before the conference, Mr. Brockway, on behalf of the Independent Labour Party, again pleaded for a change in the Standing Orders, on the ground that under the late Government they had made it possible for policy to be determined by the Prime Minister over the heads of the party. Mr. Henderson replied that the circumstances to which Mr. Brockway referred were exceptional. The Standing Orders were not in their nature coercive, as members were at liberty to abstain from voting for proposals which were against their conscience. They could not, however, be permitted to indulge in organised opposition; it was necessary for the I.L.P. members to be not only in the party, but also of the party. On a vote being taken, the Executive was upheld by 2,117,500 votes to 103,000. Mr. Maxton remarked at a subsequent stage of the proceedings that this vote practically spelt the expulsion of himself and his friends from the Labour movement.

The conference further adopted without alteration a series of resolutions which the National Executive had laid before it to serve as the Labour Party's programme in the coming election. They embodied a definitely Socialistic policy, and, among other things, proposed that the banking and credit system of the country should be brought under public control; that there should be neither inflation nor any attempt at deflation of the currency; and that Britain should take the initiative in bringing about an International Conference to discuss the question of a concerted monetary policy. A general system of tariffs was unequivocally condemned, as was also the method of balancing the Budget by means of cuts as provided in the Economy Act; and a pledge was given to restore the previous scale of payments not only to

the unemployed but also to teachers and other public servants **who had** suffered from the Act.

Mr. Henderson closed the conference with a speech in which he fully identified himself with this programme. The conference, he said, had sat throughout in an atmosphere of challenge. They had no hesitation in picking up the gage of battle which had been thrown down with wanton recklessness and for the mean purpose **of** party advantage. They had heard from the highest authority that the chief object of the Cabinet in forcing the election was to inflict on the Socialist Party an overwhelming defeat. Labour would indeed fight on a genuine and definite Socialist programme. They were convinced that the fabric of capitalism could be patched up no further, and that they must go forward decisively and courageously to try to realise the Socialist state.

The opening of the campaign found the Conservatives united and in fine fighting trim, the other two parties divided and perplexed. The headquarters of both Avere opposed to the Government. But whereas Mr. Henderson was acknowledged as leader by the great majority of the prospective Labour candidates, Mr. Lloyd George could command the allegiance only of a mere handful of the Liberal candidates, though he still controlled the party funds. The rest ranged themselves in support of the Government under the banner either of Sir John Simon or of Sir Herbert Samuel, each of whom had his own organisation. The Labour followers of Mr. MacDonald also formed themselves into a separate group, with the title of National Labour ; while at the other end of the Labour camp a number of members of the Independent Labour Party dispensed with the endorsement of the Party Executive, and entered the lists on their own account. Mr. MacDonald, although he could have procured a safe seat elsewhere, elected to fight for his old constituency of Seaham, a mining district in Durham, in spite of the fact that the contest was certain to be a strenuous one, and he was badly in need of a rest after his great exertions during the summer. Mr. Thomas similarly decided to challenge the official Labour organisation which had expelled him from Derby.

In his election manifesto, which was issued on October 8, Mr. Baldwin called upon his fellow Conservatives to support the National Government on the ground that recent events had rendered it necessary to extend the period of co-operation between themselves and the other parties. Although the Budget had been balanced, it still remained to balance the trade account of the nation, and for this purpose it was imperative that the Government should have a national mandate giving it freedom to use whatever means might be found necessary after careful examination **to** effect the end in view. He was himself prepared **to** examine any method which could secure the desired object, **and he recognised that** the situation had been altered by the devaluation

of the pound. Nevertheless, he would continue to press on the electors and on the Government the Conservative programme of tariffs, Empire economic unity, and assistance to farming by means of a quota and guaranteed prices.

Like Mr. Baldwin, the Liberal Ministers, in an "Address to the Nation" issued on the same day, expressed the conviction that it was their duty to co-operate with the Prime Minister in maintaining a strong and stable Government composed of men of all parties, and also that it was necessary to keep the Budget balanced and to secure a favourable balance of trade by whatever method might be found requisite and effective for the purpose. But at the same time they could not refrain from expressing the view that, whatever emergency measures might be found necessary to deal with the immediate situation, freedom of trade was the only permanent basis for Britain's economic prosperity and for the welfare of the Empire and of the world.

This view was stated with equal precision, and somewhat more brusquely, by Sir Herbert Samuel in a speech at Bradford on October 9, with which he opened the Liberal campaign. He spoke of tariffs as a subsidiary issue which had been given undue prominence in the election campaign by the Conservatives for party purposes. He described the advocates of tariffs as politicians in a hurry, who were fain to prescribe one patent medicine for any and every symptom. He admitted that in the present emergency it was not impossible that the patent medicine was the right dose for the patient to take. He was therefore willing to consider every proposal which was likely to be adequate, whether it dealt with currency or the expansion of exports or the restriction of imports. But he would not, on the plea of a national emergency, consent to decide in advance on a great issue on which the country was profoundly divided.

Sir Herbert Samuel's speech was calculated to accentuate rather than allay the differences between Liberals and Conservatives; and the prospect of a good understanding between them was seriously jeopardised by some remarks in a letter which was sent on October 9 by Mr. Ramsay Muir, the Chairman of the Executive Committee of the National Liberal Federation, to Liberal candidates and associations. Mr. Muir made no secret of his suspicions of the Conservatives and their motives. He described the election as "a wild gamble with the nation's fortunes," of which the sole cause was the desire of the Conservative Party to turn a national emergency to party advantage. He warned the Liberals that the Conservatives would do their best to destroy them, except possibly in constituencies where they alone had any chance of defeating Labour. He therefore advised them not to abstain from fighting protectionist sitting members, except in cases where the effect of their putting up a candidate would be a Labour success. Liberals, he said, must

support the National Government as Free Traders or **not at all**.

This letter naturally caused a great outcry among the Conservatives, and rendered Sir Herbert Samuel more suspect than ever in their eyes. Although he managed to explain it away, the gulf between him and some of the Conservative members of the Cabinet was so wide that the Prime Minister might have been unable to bridge it had he not received the whole-hearted assistance of Mr. Baldwin. The Conservative leader threw all his weight into the scale of Cabinet unity. While losing no opportunity of proclaiming his belief in the efficacy of tariffs, he yet steadfastly refused to make them the dominant issue in the election, or to insist that they should be included beforehand in the Government's programme. He expressed his regret that the Conservative Association at Darwen had determined to oppose Sir Herbert Samuel's candidature there, and insisted on the necessity of the Government being as national as possible.

Mr. Lloyd George took the same view of the election as Mr. Ramsay Muir, describing it in his election address as "a mere Tory ramp to exploit the national emergency for Tory purposes." He went a step further than Mr. Muir, however, by declaring that not *only* would he stand for Free Trade, but that, were it possible for him to do so, he would accord whole-hearted support to every Free Trade candidate without reference to party. In virtue of this pronouncement, Mr. Lloyd George was commonly regarded as an opponent of the Government, a view which was confirmed by the fact that on October 11 he had a long and cordial conversation with Mr. Henderson at Churt.

While the other party leaders expressed more or less decided opinions on the tariff question, Mr. MacDonald did not commit himself to any definite view. Speaking at Seaham, on October 19, he said that the National Government was asking for a vote of confidence so that three things might be done—the stabilisation of the pound, the conclusion of an international agreement on war debts, and the restoration of the trade balance. In regard to the third head, he stated that "it would be his duty to strive to maintain unity and co-operation" until the crisis had been surmounted, and that, while there were differences in the Cabinet on the question of tariffs, "they were all determined to approach the subject with a practical mind and in the light of their immediate needs." Mr. MacDonald's programme, in fact, could be summed up in the two words "a free hand," and he asked in effect for a majority in Parliament pledged in advance to ratify all of the Cabinet's proposals. This was a strange, and perhaps unprecedented demand to submit to a British electorate, and in other times might have been regarded as incompatible with British ideas of liberty and self-government. But at the present juncture it did not strike the public in this light; many were reminded by

it of the old Roman formula for appointing a dictator, and thought that it had equal justification, while involving less danger to liberty.

The Trade Union Congress General Council entered the fray with a manifesto which it issued on October 14 under the title of "A call to the workers." In this document the workers were warned that the National Government was under the control of banking and financial interests which would use their power not for the nation's benefit, not to improve the position of British industry or promote a better standard of life for the workers, but solely for the advantage of the bondholders and the banks. Support for the Government meant further surrender to these powerful private interests. In the strange combination which constituted the Government, the Conservative Party was master and the Prime Minister its docile servant. And trade unionists knew to their cost that a Conservative Government would oppose the interests of the workers at every point; it would try to force down wages; it would reverse the settled policy of developing the social services; it would further cut down provision for health, education, and unemployment relief. On the other hand, the programme of the Labour Party was conceived in the best interests of the workers, and trade unionists should therefore spare no effort to return that party to power.

The supporters of the National Government entered the campaign as a body of allies ranged under four independent leaders—Mr. MacDonald, Mr. Baldwin, Sir Herbert Samuel, and Sir John Simon. As each section was naturally desirous of putting as many candidates as possible in the field, there were at first a large number of constituencies in which supporters of the Government from different parties threatened to oppose one another, and so split the Government vote. As this might in many places have meant handing over the seat to the Socialist, great efforts were made by the party headquarters to eliminate such conflicts, with the result that amicable arrangements between the parties were reached in a large number of constituencies where at first more than one candidate had been put forward in support of the Government. In a certain number of places, however, the Conservative and Liberal local organisations were unable to come to terms over the question of the tariff, and both put candidates in the field. Among the Liberal candidates who had to face Conservative opponents for this reason were two Ministers—Sir Herbert Samuel and Sir Donald Maclean.

The number of candidates who came forward on nomination day, October 16, was 1286—nearly 450 less than in 1929. Of these, 517 stood as Unionists, 513 as Labour candidates, 121 as Liberals, 39 as Liberal Nationalists, *i.e.*, followers of Sir John Simon, 21 as National Labour, *i.e.*, followers of Mr. MacDonald, 23 as members of the New Party formed by Sir Oswald Mosley, 25 as Communists, and 27 under other denominations. Of the

Liberals, the vast majority came forward as supporters of the Government, but Mr. Lloyd George, with four others, two of whom were his own son and daughter, declared themselves opposed to the Government. The New Party ranged themselves on the side of the Government, the Communists against. Of the Labour candidates, 19 were members of the Independent Labour Party, who fought without the official endorsement. There were 61 women candidates.

From an early point of the campaign it became apparent that the appeal of the trade union leaders to the class feeling of the workers was having much less influence upon them than had been expected on either side, and that the attack upon the bankers was falling flat. On the other hand, as the campaign proceeded, the working classes showed an increasing interest in the currency question, and a growing realisation of the danger of a collapse and its possible consequences to themselves, which were painted in lurid colours by various speakers, especially Mr. MacDonald. Hence from the first the Labour Party was fighting a losing battle. Mr. Lloyd George, in a broadcast address which he gave on October 15, tried to divert to them the Liberal vote by advising every Liberal to vote for a Free Trade candidate irrespective of party. But the effect of this move on Liberal opinion was declared by competent observers to be negligible.

On the other hand, the credit of the Labour Party leaders was greatly shaken by a number of pungent attacks made on them by their old colleague, Mr. Snowden, which formed one of the outstanding features of the election campaign. In a letter which he sent, on October 16, to all candidates of the National Labour Party, Mr. Snowden said that the issue was whether the country was to have a strong and stable Government, or whether its destinies were to be handed over to men whose conduct in the crisis had proved their unfitness to be trusted with responsibility. The Labour Party leaders had failed in the acid test of democratic party leadership—in having the courage to tell their followers the disagreeable truth. Their programme had no relation to the present emergency, and they themselves knew that they could not carry it out if they had a parliamentary majority. Their profession of being opposed to tariffs was the crowning act of their attempt to delude the electors, for they themselves had in the late Labour Cabinet proposed and voted for tariffs.

Mr. Snowden returned to the attack in a broadcast message which he delivered on October 18, and which showed, perhaps unintentionally, the extent to which he had gone back on his former Socialist professions. His late colleagues, he said, knew that the policy which he had pressed on them was necessary, but when it came to the point, they had not the courage to face the unpopularity and opposition which necessary measures of economy would naturally meet in certain quarters, To say, as they did,

that the country had money enough to go on spending to its heart's content was either appalling ignorance or wilful deception. The election programme of the Labour Party was the most fantastic and impracticable ever put before the electors ; it was Bolshevism run mad, and if taken seriously would destroy every vestige of confidence and plunge the country into irretrievable ruin.

On October 21 Mr. Graham, in a broadcast address, repeated the charge that the New York Reserve Bank had insisted on a 10 per cent, cut in unemployment pay as a condition of a loan, and he also stated that he and his colleagues had throughout been opposed to cuts in unemployment pay, while he denied that they had voted for the immediate imposition of tariffs. This brought Mr. Snowden once more into the field with a vigorous contradiction of all three statements. With regard to the first, he affirmed categorically, as Mr. MacDonald had done before him, that neither the Bank of England nor the American banks had ever insisted or suggested that there should be a cut in the unemployed pay. They had only demanded that the Budget should be balanced, and left it to the Government to find the means. In regard to the second point, Mr. Snowden stated that the economies of 56,000,000*l.* which the Labour Cabinet at one time unanimously agreed to recommend to Parliament included a saving of 22,000,000*l.* on unemployment, and that even when the 10 per cent, cut was insisted on by the Opposition parties more than half the Cabinet were in favour of including it. Finally, when the question was put before the Cabinet, whether they should adopt the proposal of a 10 per cent, tax on manufactured and semi-manufactured imports, fifteen members, of whom Mr. Graham was one, had voted for the proposal, and Mr. Graham and four others had even voted for a duty on all imports, including food and raw materials. To these allegations Mr. Henderson and Mr. Graham made no answer.

While the trade union leaders were seeking to raise prejudice against the bankers by representing them as the wielders of a sinister and uncontrolled power, they were themselves charged by the supporters of the Government with aiming at domination and irresponsible authority. It was obvious that they dictated the policy of the Labour Party in the election, and the tone of their speeches gave ground for supposing that they would continue to do so if Labour came into office, for the benefit not of the nation as a whole, but of their own class and in particular of their own organisation. Their conduct during the General Strike was not forgotten, and as it was Mr. Baldwin then who had countered their designs against the Constitution, so it was he now who took the lead in exposing them as the enemies of democracy.

Although public feeling was stirred to an exceptional degree by the issues raised in this election, the campaign produced no

unusual disturbance in the life of the country. The apprehensions of the City that foreign confidence in the Bank of England would again be weakened were not realised, and there were no great fluctuations in the value of the pound. A prediction of Mr. Graham, that the election would be fought "savagely," was also falsified. Here and there feeling ran high, especially at meetings addressed by Mr. MacDonald and Mr. Thomas, who were occasionally "howled down." But throughout the campaign as a whole there was probably less rowdiness than at any previous election.

As the campaign proceeded, the prospects of the Government continuously improved, and as polling day approached some observers were sanguine enough to predict for it a majority of 200. Even this figure was made to look small by the actual result. Of the successful candidates, no fewer than 558 were supporters of the Government, while only 56 supported the Opposition, so that the Government majority in the election was no less than the huge figure of 501. The Government Party was made up of 471 Conservatives, 33 Liberals, 35 Liberal National (Sir J. Simon's group), 2 National, and 13 National Labour. The Opposition consisted of 52 Labour members, and Mr. Lloyd George's "family party." The Conservatives did not lose a single one of the seats which they had held in the last Parliament, while they gained over 200. The Socialists did not gain a single seat, and lost over 200. Both the New Party and the Communists failed to secure a single seat, and the great majority of the candidates of both forfeited their deposits. Sixty-five members were returned unopposed, *viz.*, 47 Conservatives, 7 Liberal Nationalists, 5 Liberal, and 6 Labour. Labour polled over 6½ million votes, and the Government about 14½ million, of which over 11 million went to Conservative candidates.

From the personal point of view, the result of the election was equally disastrous to the Labour Party. With the exception of Mr. Lansbury, every occupant of the Labour front bench, from Mr. Henderson downwards, was defeated. The same fate befell the chief trade union leaders, Mr. Hayday, Mr. Bevin, and Mr. Tillet, and also Mr. Edwards, the President of the Miners' Federation. The Independent Labour Party secured five seats. Mr. MacDonald obtained a majority of over 5000 at Seaham, and Mr. Thomas headed the poll at Derby. Sir H. Samuel and Sir D. Maclean were also returned against their Conservative opponents. Fourteen of the women candidates were successful.

As the Labour Party had fought on a definitely Socialist programme, the result of the election could be regarded as a complete and overwhelming defeat of Socialism, secured, ironically enough, under the leadership of one who still called himself a Socialist. The verdict of the General Election was confirmed a few days later by the municipal elections, at which the Socialists

throughout the country lost a large part of the gains which they **had** made in the previous seven or eight years. Thus the country declared with no uncertain voice that it approved of the Government's programme of economy, and that it had no desire to revert to the policy of lavish public expenditure—the so-called "squandermania"—which had characterised both its national and local administration from the close of the war till the advent of the National Government.

The India Round Table Conference entered on a second session, on September 8, with a meeting of the Federal Structure Committee at St. James's Palace. The Committee had been enlarged from 21 to 37, one of the new members being Mr. Gandhi, who arrived a few days later. The speeches of the British delegates at the opening meeting made it clear that the change of Government would make no difference in British policy towards India. The Committee commenced its labours in an atmosphere of great goodwill, under the chairmanship of Lord Sankey. Difficulties soon arose, however, over the question of the rights of minorities, and the differences between Mr. Gandhi and the Moslems on this point proved to be so acute that by the time the General Election took place the conference was generally thought to be approaching a breakdown.

CHAPTER IV.

FIRST STEPS IN PROTECTION.

MR. MACDONALD'S first task after receiving his new lease of power was to re-form and enlarge his Cabinet. The experience of the past two months had shown him that a Cabinet of ten was not large enough to cope with the current work of administration, and he decided to revert to the normal practice of forming a Cabinet of twenty or thereabouts. In order to allow him freedom of choice, all his colleagues placed their resignations in his hands. It was understood, however, that they were all eligible for re-election, with the exception of Lord Reading, who, now that his services could be dispensed with, was anxious to be relieved of official duties. Sir Austen Chamberlain also, in order to make matters easier for the Premier, immediately after the election wrote to Mr. Baldwin resigning any claim to office which he might be considered to possess, in favour of some younger man. On the other hand, Mr. Snowden, who had announced his intention of retiring, at the pressing request of the Prime Minister consented to remain in office, provided he were not burdened with administrative work.

Mr. Macdonald was called upon to form a Cabinet in circumstances for which there was no exact precedent, and which required

the exercise of great tact and discretion. He therefore proceeded **with no** small deliberation, and kept the public waiting so long **that** doubts began to be entertained as to his ultimate success. However, he finally triumphed over all obstacles, and on November 5 was able to announce the composition of his new Cabinet as follows:—

Prime Minister and First Lord of the Treasury.	Mr. Ramsay MacDonald.
Lord President of the Council - - -	Mr. Stanley Baldwin.
Chancellor of the Exchequer - - -	Mr. Neville Chamberlain.
Secretary of State for Home Affairs - -	Sir Herbert Samuel.
Lord Chancellor.	Lord Sankey.
Secretary of State for War - - -	Lord Hailsham.
Secretary of State for Foreign Affairs -	Sir John Simon.
Secretary of State for India - - -	Sir Samuel Hoare.
Secretary of State for Dominion Affairs	Mr. J. H. Thomas.
Secretary of State for the Colonies -	Sir Philip Cunliffe-Lister.
Secretary of State for Air - - -	The Marquess of Londonderry.
Secretary of State for Scotland - - -	Sir Archibald Sinclair.
Minister of Health	Sir E. Hilton Young.
President of the Board of Trade - - -	Mr. Walter Runciman.
Lord Privy Seal	Mr. Philip Snowden.
First Lord of the Admiralty - - -	Sir Bolton Eyres-Monsell.
President of the Board of Education -	Sir Donald Maclean.
Minister of Agriculture and Fisheries -	Sir John Gilmour.
Minister of Labour	Sir Henry Betterton.
First Commissioner of Works - - -	Mr. W. Ormsby-Goro.

The new Cabinet consisted of 4 Labour members (the same as in the previous Cabinet), 3 Liberals (Sir H. Samuel, Sir D. Maclean, and Sir A. Sinclair), 2 National Liberals (Sir J. Simon and Mr. Runciman), and 11 Conservatives. All the members of the former Cabinet returned to their old posts, with the exception of Mr. Snowden, who was replaced by Mr. Neville Chamberlain at the Exchequer, and Sir P. Cunliffe-Lister, who made way for Mr. Runciman at the Board of Trade, in order that this post and the Exchequer should not both be occupied by convinced Protectionists. The Ministries of Dominion Affairs and of the Colonies, which had been temporarily united in the previous Cabinet, were again separated. The list of junior Ministers, which was issued a few days later, was made up of 19 Unionists, 4 Liberals, 3 Liberal Nationalists, and 4 National Labour Members. Mr. Snowden soon afterwards entered the House of Lords with the title of Lord Snowden.

At a meeting of the Liberal Parliamentary Party held on November 4, a letter was read from Mr. Lloyd George stating that he did not intend to offer himself as a candidate for any office in the group. Sir Herbert Samuel was thereupon elected chairman of the group. In returning thanks, he touched on the **future of** Liberalism, declaring that the identity of the Liberal Party should be maintained in the same way as the identity of

the Conservative Party was being maintained. Nothing should be done to perpetuate the divisions in the Liberal membership of the House of Commons ; the door was open and would remain open for the reunion of all sections. It was decided that the group should receive both its own Whip and the Government Whip, whereas the Liberal National group decided to receive only the Prime Minister's Whip. The Parliamentary Labour Party about the same time elected Mr. Lansbury its chairman, and decided not to send its official communications to Mr. Maxton and four other members of the Independent Labour Party who had refused to accept the revised constitution passed at the Scarborough Conference in October.

On November 10 a combined meeting of the General Council of the Trade Union Congress and the Executive Committee of the Labour Party was held at London to consider the results of the General Election. The meeting placed on record its strong condemnation of the methods by which a majority of the electors were induced to give their support to the Government, at the same time recording the opinion that those methods would not have been successful but for the assistance rendered to the opponents of Labour by men who owed their political influence to the Labour movement. Satisfaction was expressed at the fact that despite the unscrupulous misrepresentation of the Labour Party's position, one-third of the votes registered in the election were given for Labour's policy. The joint meeting resolved to begin at once an energetic effort to extend the influence of the organised Labour movement, and to promote the closest and most continuous co-operation between its political and industrial sides. The National Joint Council, representing the Trade Union Congress, the Labour Party, and the Parliamentary Labour Party, was accordingly instructed to prepare a practical scheme of co-operation and joint propaganda in the country. The executive of the Labour Party at a separate meeting expressed its unabated confidence in Mr. Henderson as leader of the party.

In his speech at the Guildhall banquet on November 9, the Prime Minister once more emphasised the fact that the Government was a National Government, consisting of members of all parties, none of whom had shed his party allegiance, combined together to serve the nation in overcoming special difficulties in its economic life. The brunt of the burden, he said, would fall upon two Ministers, the Chancellor of the Exchequer, and the President of the Board of Trade, to whom he asked the nation to give its full confidence. Turning to foreign politics, and speaking without previous consultation with his colleagues, the Prime Minister declared that the economics of the whole of Europe would have to be straightened out before any one nation could find the foundations for stable economic and financial conditions. They were witnessing the breakdown of the doctrine of national

economic self-sufficiency, and were living in a world-wide financial crisis. President Hoover's timely proposal for a moratorium had given the world a breathing-space, but time was running out, and a very heavy responsibility rested upon the chief Governments of both the New and the Old Worlds to avoid a calamity. The questions at issue—tariffs, reparations, war debts, disarmament, and security—formed a tangled skein which the British Government was prepared to play its part in disentangling. It was time for the statesmen of the world to come boldly together as severely practical men and find some safe foundation on which the future of the world might be built up. They had therefore heard with pleasure of the French Premier's recent visit to America, and prayed that it might be followed by an understanding between France and Germany, which was an essential condition of reconstructive work in Europe. The British Government desired to be ranged with the other nations, East and West, who, knowing that no people could live to themselves alone, wished to use their influence and their wealth to bring harmony, peace, and security to every nation existing in the world.

The new Parliament, after having been sworn in on November 3 and having again elected Captain Fitzroy Speaker, commenced its deliberations on November 10. The King's Speech stated that the Government intended to pursue the policy of promoting international peace and goodwill and to continue their active interest in the work of the League of Nations, and that in particular they were giving close attention to the preparations for the approaching Disarmament Conference. They also had under detailed examination the financial and economic problems with which they had been called to office to deal, and would make their decisions with the least possible delay and submit legislation to Parliament in due course. The only definite piece of legislation foreshadowed in the Speech was a measure for giving statutory effect to certain of the Declarations and Resolutions of the Imperial Conferences of 1926 and 1930. The Government, it was stated, had received from the Government of Canada a proposal that the Economic Conference, which had been adjourned in 1930, should be convened at Ottawa as soon as possible, and was giving it most sympathetic consideration.

This somewhat nebulous statement of policy did not greatly satisfy any part of the House. The bulk of the Conservatives were disappointed at the absence of any explicit reference to tariffs, or any undertaking to deal with the evil of "dumping," which, according to their information, had assumed alarming proportions since the advent of the new Government. Their restiveness already found expression in the speech of the mover of the Address. In the eyes of the Opposition, on the other hand, this was the saving grace of the Speech, and Mr. Lansbury ac-

cordingly devoted most of his speech to venting his spleen on the Government for the defeat of his Party. He quoted a remark from the *Manchester Ovxirdian* (which had throughout supported Mr. Lloyd George) that the campaign had been the shortest, strangest, and most fraudulent of their time, and that by the side of the scare about the pound, the cry of " Hang the Kaiser " and the Red Letter looked almost respectable. He charged the Government with having got into power by chicanery, fraud, and raising a panic for which there was no justification, and declared that they had no right to the title of " National."

The Prime Minister, in answer, remarked that Mr. Lansbury's allegations were an insult to the intelligence and common sense of the electorate, and that, whatever it might be called, the Government had at any rate obtained the mandate and the authority for which it had asked. As to the use which it intended to make of the mandate, he did not give the House much enlightenment. It would, he said, follow the lines laid down in its election manifesto and direct its attention to four problems, namely, currency, credit, the balancing of the Budget, and the balance of trade. The first necessity was to procure some readjustment of the economic relations between various nations, and for this purpose the Government was already taking steps to put itself in contact with the nations primarily concerned, so that they might concert arrangements for extricating themselves from the absurd economic entanglement in which they had become involved. Whether tariffs were also necessary was a question which the Government was investigating, and it would not act before it possessed full knowledge. With regard to what was called dumping, the Government, if it thought necessary, would report to the House, make recommendations, and ask for powers to deal with a problem which had been ascertained.

Mr. Churchill at this point took it upon himself to set forth an interpretation of the verdict of the election which many Conservatives certainly cherished in their hearts, but which probably no one else would have been audacious enough to express publicly at this juncture. In the face of all the Prime Minister's statements in the election campaign, Mr. Churchill coolly propounded the theory that this Parliament had the fullest mandate to apply any measure of Protection which it deemed wise. The circumstances of the election, he said, were such that they did not leave the Prime Minister and the party leaders associated with him the sole or final judges of what the country voted for. The House also shared the " free hand " for which they had appealed. In his opinion, every member was the judge of the mandate which he individually received, and the sum of those individual mandates constituted the effective mandate of the House of Commons. He was sure that the overwhelming wish of the electorate was that they should now definitely abandon their Free Trade system

and take up a substantial and scientific experiment in general Protection. He could not see the need for any inquiry into the principles of Protection and Free Trade. The only inquiry needed was how to apply that principle to their complicated industrial system. They expected the Government to present them not reports but legislation.

The same demand was repeated in a less domineering tone by Sir H. Page-Croft, the leader of the extreme protectionist wing of the Unionist Party. While endorsing Mr. Churchill's view that Unionists on the back benches were unanimous in thinking that they had been elected to solve the problem of the adverse balance of trade by means of tariffs, he was considerate enough not to expect the Government to produce suddenly a complete and final tariff scheme. All they demanded was that the Government should not allow the policy for which they had been elected to be stultified for perhaps two years through an enormous inflow of manufactured goods into the country ; in other words, that it should deal at once with the evil of dumping, which threatened to do more mischief than a tariff would be able to rectify. In response to this appeal, the Prime Minister promised to make a definite statement on the subject before the conclusion of the debate on the Address, and this pacified Sir H. Page-Croft and his followers for the time being.

A Labour amendment to the Address was brought forward by Sir Stafford Cripps on November 11. Declaring that he could find nothing to oppose in the King's Speech because there was nothing in it, the mover offered his own suggestions to the Government for dealing with the problems the existence of which it apparently realised. Commenting on the speech, Mr. Thomas drily remarked that the amendment was a vote of censure on the Government for not including in the King's Speech the very things the people had said they did not want. The chief reply for the Government was made by Mr. Baldwin, who pointed out that the Government had been formed because there was a crisis which would probably last some time, and that was the reason why there was no promise of legislation in the King's Speech, but only an undertaking to examine all things that might be necessary to bring the crisis to an end, to lay their conclusions before the House of Commons, and to ask for its sanction to apply such remedies as might be required. As to whether these remedies would include tariffs, Mr. Baldwin said no word. He was much more communicative on the subject of a demand raised by the Opposition that Britain should take the initiative in convening an international conference, or a series of conferences, to deal with financial problems. He said that on the question of war debts and reparations there was really no difference between the Government and the Opposition. Since the London Conference in July, things had gone from bad to worse,

because no action had followed on its recommendations. **The** Prime Minister had declared that the situation was one that needed to be dealt with and dealt with quickly. But he doubted whether that was the moment for the first initiative to come from Great Britain. Some kind of agreement between France and Germany was a necessary preliminary, and they were in hopes that this might soon be procured. Meanwhile their most useful contribution would be to prepare their proposals with care and convince other nations that they would be to their interest as well as to those of Great Britain. The Government, however, was the best judge of the moment when Britain could intervene.

In the course of the debate, Sir Austen Chamberlain, speaking with the freedom and the authority of a senior ex-Minister, commented on the absence from the House of the Home Secretary, and read him a lecture on the impropriety of attending the weekly meetings of the Liberal Party. He said that the practice which had been introduced by Labour Ministers of communicating Cabinet decisions to party meetings and taking instructions from them was, strictly speaking, unconstitutional, and that whatever might be said for it in other cases, it could not be tolerated in a member of a National Government. He therefore called upon Sir Herbert Samuel to mend his manners and to "play the game." One of the Liberal members present tried to mollify Sir Austen by stating that if the Home Secretary's attendance at the meetings interfered with his duties, it would be dispensed with. Sir Herbert himself made a more spirited response. He told his mentor that it would be time to call on him to "play the game" when he gave any ground for supposing that he was not doing so, and bade him bestow his "avuncular admonitions" on Mr. Churchill, who had already shown so strong a disposition to kick over the traces of the Government chariot.

The statement on dumping which Mr. MacDonald had promised was duly made by the President of the Board of Trade on the last day of the debate on the Address, November 16. The Government had been as good as its word, and had carefully investigated the problem, with the result that it had come round to the Conservative view that dumping was an evil against which measures had to be taken immediately. Mr. Runciman, in his speech, made it clear that while he still retained his predilection for Free Trade, he was examining the question of tariffs with an open mind, and was prepared to consider them as a means of preventing an increase in the adverse trade balance, which might react unfavourably on the value of the currency.

While declining to give any definition of "dumping," he said there could be no doubt that in the last few weeks certain classes of goods had been coming into the country in abnormal quantities. In the first ten days of November, imports under Class III., which included manufactured and mainly manufactured goods,

had amounted to 35,000,000l., against 29,000,000l. for the corresponding period in 1929. The imports of some articles had increased by 80, 90, or even 100 per cent. To allow such things to come in continuously during the next few weeks or months might defeat the ends of the Chancellor of the Exchequer, if he desired to raise revenue by taxation of imports. They had therefore come to the conclusion that the best way to deal with these abnormal importations would be to give the Board of Trade power by means of Orders to impose on articles in Class III. a duty not exceeding 100 per cent, of the value of the article. The Board would have full power to select articles, but its aim would naturally be to reduce the strain on their purchasing capacity without injuring any of their people or industries, and its Orders would have to come up in four weeks for the sanction of the House of Commons.

This announcement was received with loud cheering from the Ministerialist benches. The Conservatives half hoped that they might hear a similar statement with regard to agriculture, but this was further than Mr. Runciman was prepared to go for the moment. The reason he gave was that he was proposing a forestalling Bill for a comparatively short period, and forestalling in agricultural produce was scarcely practicable to any serious extent. He promised, however, that the Minister of Agriculture would lay his own Bill before Parliament without undue loss of time.

The proposals outlined by Mr. Runciman were given legislative effect with all possible dispatch. On the next day (November 17) a financial resolution was passed as a preliminary, and on November 18 the Abnormal Importations Bill came before the House. The Opposition moved its rejection, and they had the sympathy if not the active support of some Free Traders on the Ministerialist benches, who did not find Mr. Runciman's arguments at all convincing. Most of the Liberals, however, had confidence that the Minister would not abuse his powers, and only 47 members voted for the amendment. The other stages were rushed through the House on the next day, and the Bill received the royal assent on November 20.

Before that day was out, the Board of Trade issued a list of twenty-three classes of articles which would be subject under the new Act to a duty of 50 per cent, from the following Wednesday, November 25. The list included most kinds of pottery, glassware, furniture, cutlery, and tools; vacuum cleaners, wireless sets, and typewriters, and their component parts; woollen manufactures, silk and artificial silk stockings, linen handkerchiefs and tissues, overcoats, suits, and gloves; packing paper, cycle tyres and tubes, rubber heels and soles, and linoleum; and many kinds of perfumery and toilet requisites.

In the meanwhile the House of Commons had embarked on

the discussion of the so-called Statute of Westminster Bill, which sought to put into legal form the resolutions adopted by the Imperial Conferences of 1926 and 1930 for determining the relations between the constituent parts of the British Commonwealth of Nations. The Bill had been drafted in response to a demand emanating chiefly from Ireland and South Africa, and to a lesser degree from Canada. In accordance with a decision of the conference of 1930, the draft had been submitted to all the Dominions, and they had all adopted resolutions calling upon Great Britain to pass it into law before December 1. Otherwise the Government would not have troubled to raise the matter in Parliament, as it considered the Statute to be entirely superfluous, since there was not the slightest desire on Britain's part to go back on the conference resolutions.

The second reading of the Bill was moved by Mr. Thomas, the Secretary of State for the Dominions, on November 20. After giving a historical sketch of the growth of the autonomy of the colonies, culminating in the recognition of them by England in 1926 as sister-states of equal status with herself, Mr. Thomas went through the main points of the Bill. It would, he said, formally abrogate the home Government's powers—long since obsolete—of "disallowing" and of "reserving" Bills passed by Dominion legislatures. It gave statutory force to the convention, which had existed for a good many years, that the United Kingdom should not pass laws affecting the Dominions without their consent. It also made clear the powers of the Dominions to give extra-territorial force to their enactments. It would give force to an agreement between the United Kingdom and the Dominions for concerted action in all essential matters connected with merchant shipping where uniformity was thought to be desirable. Finally, he called special attention to the fact that in the preamble the Crown was stated to be the "symbol of the free association of the members of the British Commonwealth of Nations," and that in consequence "any alteration in the law touching the succession to the Throne or the Royal Style and Titles should hereafter require the assent as well of the Parliaments of all the Dominions as of the Parliament of the United Kingdom." In conclusion Mr. Thomas expressed the hope that the passage of the Bill by removing grounds for controversy in the political field would be the prelude to increased co-operation in the economic field between the several parts of the British Empire.

The Bill was cordially welcomed on behalf of the Labour Party by Sir S. Cripps, who said that it was wiser to face the facts of the situation and to make legislative provision to fit in with those facts than to leave the law in a state which did not accord either with the desires of the people of the Empire or with the stage of evolution which the Empire had reached. By the

Ministerialists, however, the measure was not allowed to pass without a struggle. The first onslaught was made by Mr. Churchill, who could not witness without a pang this final breach with the pre-war conceptions of Empire, more especially as it was being effected by a Government from which he had expected better things. Although, he said, he had subscribed to the Imperial Conference Declaration of 1926, yet even then he had had misgivings that they were "needlessly obliterating old famous landmarks and signposts which, although archaic, had historical importance and value." Still, he had to accept his share of responsibility for the conclusions of 1926, and must face the ordeal of seeing them embodied with all the awkwardness of the process in practical legislation. He would therefore not vote against the principle of the measure on its second reading. If large numbers of their fellow-subjects in the Dominions liked to think, and liked to see in print, that the bonds of Empire rested only on tradition, goodwill, and good sense, it was not Britain's policy or interest to gainsay them. But there should be no interference with special obligations entered into between the Mother Country and individual Dominions. Under this Bill, as he understood it, it would be possible for the Legislature of the Irish Free State to abolish the Irish Treaty of 1922 at any time it thought fit. That, he thought, was a wrong thing, to which they ought not to lend themselves. Another cause of misgiving to Mr. Churchill was the effect which the Bill might have in India. For the first time, he said, they saw set out in "cold, legal language" what Dominion status meant. It was something much more than had been implied by the same term ten years before, at the time of the Montagu report; it was incompatible with the highest symbols of Imperial authority for the races, peoples, and States of India, and something therefore which it was most dangerous to promise to India.

Mr. Churchill's regrets at the passing of the old imperialistic order were not shared even by so staunch a Conservative as Mr. Amery, who declared that the Empire could not be held on the foundation of the former legislative supremacy, but only on that of free co-operation. Nevertheless, the Bill had not so easy a passage as the Government expected, since many members besides Mr. Churchill cherished misgivings with regard to Ireland, and they did not scruple to demand consideration for them, going so far, in spite of Mr. Churchill's advice, as to move the rejection of the second reading. So strongly was their point of view pressed that the Government, in order to procure the withdrawal of the motion, promised to consider their objections before the Committee stage of the Bill was taken.

After due consideration, the Government decided that it would be unwise to make any alteration in the Bill. They were largely influenced by a letter which Mr. Cosgrave, the Prime Minister

of the Irish Free State, sent to Mr. MacDonald after the debate on November 20, expressing the liveliest apprehensions lest the British Government should accept any amendment relating to the Irish Free State. He impressed upon him that the maintenance of the happy relations then existing between the two countries was absolutely dependent on the continued acceptance by each one of the good faith of the other. On the Irish side it had been repeatedly declared that the treaty was an agreement which could only be altered by consent, and the solemnity of the instrument in their eyes could not derive any additional strength from a Parliamentary law. So far from this being the case, any attempt to erect a statute of the British Parliament into a safeguard of the treaty would have quite the opposite effect in Ireland, and would tend to excite doubts as to the sanctity of the instrument.

When the Committee stage of the Bill was taken on November 24, Colonel Gretton moved an amendment that nothing in the Bill should be deemed to authorise the Irish Free State to repeal, amend, or alter the Irish Treaty. The argument for the amendment was that although the present Free State Government could be trusted to carry out its treaty obligations, it might at any time be replaced by one which desired to repudiate the treaty. The Government warned the House of the evil effect which the amendment, if carried, might produce in Ireland, and Mr. Thomas read out to it parts of Mr. Cosgrave's letter. The chief champion of the Bill on this occasion was Mr. Baldwin, who declared his complete acceptance of the new conception of Empire. He scouted the idea that the amendment would provide any safeguard, and pointed out that any affront offered to Ireland might be taken amiss by the other Dominions as well. While recognising that many of his friends were supporting the amendment as a matter of conscience, and were therefore bound to vote for it, he asked those for whom it was not a matter of conscience to take a larger view, and for the sake of the whole Empire to see that the new clause was defeated by a large majority. Mr. Baldwin's appeal was taken to heart, and the amendment was rejected by 350 votes to 50. The Bill was subsequently read a third time without a division.

The House of Lords commenced its discussion of the Bill on November 26. In the debate on the second reading, Lord Salisbury, speaking on behalf of a large body of Conservatives, made no secret of the fact that he accepted the measure with regret and under compulsion. He repeated the misgivings expressed in the other House with respect to Ireland, but in view of the assurances given by the Irish Prime Minister, he did not suggest any amendment. He hoped, he said, that the Bill would be carried, but with tacit reliance on the safeguards which existed in the constitution of the Irish Free State.

On November 26 Lord Elibank, in the House of Lords, expressed the satisfaction of the Conservative Party at the Government's decision to take part in an Imperial Economic Conference at Ottawa, and urged that the date of the Conference should be made as early as possible. Lord Strathcona in reply stated that the conference was unlikely to be held earlier than July, as some of the Dominions would probably not be ready till then. The Government, he said, would use the interval *in* preparations and investigation of the problems. They gladly recognised that they had been given a free hand, and were fully aware of the immense importance of the task confronting them and the vital necessity of binding together still more firmly the commonwealth of nations constituting the British Empire.

On November 26 an attempt was made from the Labour benches in the House of Commons to secure more considerate treatment for certain recipients of transitional benefit. By the regulations issued by the Ministry of Labour in October, the task of applying the "needs test" to applicants for transitional benefit had been left to the Public Assistance Committees, but no instructions had been issued to them as to the way in which they should carry it out. Labour speakers now complained with some heat that there was a great Jack of uniformity in the way in which the test was applied, and that in many cases there was a tendency to approximate transitional benefit to Poor Law relief; and they asked the Minister to give definite instructions to the Committees at any rate not to take into account the possession of a war disability pension in assessing need. This request found a great deal of sympathy on the Ministerial benches also, but the Minister did not see his way to accede to it. On the next day Labour members pressed the Minister to annul the regulations recently made for disallowing unemployment benefit to married women and seasonal workers under the Anomalies Act, but with equally little success.

While the President of the Board of Trade had been taking steps to prevent the dumping of manufactured goods, the Minister of Agriculture had been framing plans for the relief of agriculture. These, however, did not receive such prompt attention from the Cabinet, one reason being that the Prime Minister was at this time absorbed in Indian affairs. Chafing at the delay, a deputation of the Conservative Agricultural Committee, accompanied by some Liberal National and National Labour members, interviewed the Prime Minister on November 24, and impressed on him the urgent need for an immediate announcement of the Government policy in regard to agriculture, in order that farmers might know where they stood. The Committee did not find the Prime Minister's reply wholly satisfactory, and talked of taking stronger steps for stimulating the Government's activity.

Before anything further could be done, however, the Cabinet considered and approved the Minister of Agriculture's plans, and on November 26 he was able to make in the House of Commons the desired announcement. The Government, he said, recognising the special urgency and importance of the cereal situation, had decided to apply the principle of a quota to home-produced wheat of milling quality, and to introduce legislation in time to become effective for next year's crops. The object of the scheme would be to secure for producers a certain market, and enable them to obtain an enhanced price, subject to a statutory maximum, for wheat of milling quality. No subsidy would be given from the Exchequer, and it was not intended to encourage the extension of the cultivation of wheat to land unsuitable for the purpose. The Minister further stated that a Bill would be introduced in a few days for the restriction through tariffs of certain non-essential agricultural and horticultural products, which in many cases, owing to early maturity, anticipated the home crop. Both statements were received with loud cheers from the Conservative benches.

The second of these measures—the one for restricting horticultural imports—was brought before the House of Commons on November 30. The Minister of Agriculture informed the House that his object for the present was to deal with one aspect only of the agricultural problem, namely, the production of early vegetables, fruit, and flowers. While a prohibitive duty on the importation of these articles could not be described as a tax on food, it would assist both the home producers and the currency. He made no secret of the fact that if the experiment succeeded, he hoped to see it extended further. Labour members saw in the measure, not without reason, a first step towards the taxation of food, and opposed it on that ground. After four days of discussion, the measure received its third reading by a large majority on December 9.

The Government's wheat quota scheme did not proceed so smoothly. It met with strong objection from the millers, who declared that it would prove uneconomical and cumbersome, if not impracticable. In a number of interviews with the Minister of Agriculture, their representatives pointed out the difficulties in the way of the scheme, and urged the Government instead to grant a subsidy to home-grown wheat. The Minister declared this to be out of the question, and adhered to his original plan, though he undertook to make some modifications in it to meet the objections of the millers. On December 11 a deputation from the National Federation of Corn Trade Associations (representing both the corn trade and the milling trade), after interviewing the Secretary for the Dominions and the Minister of Agriculture, stated that, though they were still opposed to the quota on principle as likely to affect adversely the interests of the

grain and milling trades, their apprehensions had been to a considerable extent alleviated by the explanations they had received, and they were willing to co-operate in working the quota when it should be instituted. On the same day Mr. Thomas announced in the House of Commons that the Government had decided to include in their legislation on the subject a quota for Dominion wheat also, subject to satisfactory arrangements being made and to a genuine *quid pro quo* being offered. This proposal gave a new stimulus to the antagonism of the millers.

The Abnormal Imports Act and the Horticultural Imports Act were welcomed by the Protectionists in Parliament as first steps towards a protectionist policy for both manufactures and food. The readiness with which the President of the Board of Trade had met their demands for legislation against dumping led them to hope that he would proceed further without delay along the same path, and extend his protective duties to one industry which they had very much at heart, namely, iron and steel manufactures. Here, however, Mr. Runciman called a halt, at any rate for the time being. A second order for the restriction of abnormal importations which he issued on November 30 imposed duties of 50 per cent, on eleven classes of articles, including glass bottles and jars, woollen yarn, household linen, candles, and sporting and air guns, but not on iron and steel goods. The Protectionists were greatly disappointed, and brought strong pressure to bear on Mr. Runciman, by means of deputations and questions in Parliament, to accede to their wishes. He refused, however, to be stampeded, and would not commit himself. He was supported by the Prime Minister, who refused to set aside a day for the discussion of the condition of the iron and steel industry, and told those who made the request that they could raise the question in the debate on the vote of censure which was to be brought forward by the Opposition before the adjournment.

Not only the Prime Minister but Mr. Baldwin also was averse to any precipitate adoption of a protectionist policy. Addressing a great gathering at Aberdeen, on December 4, on the meaning of the recent election and the task of the National Government, Mr. Baldwin cautioned his followers not to try to hurry the Government. He reminded them that the victory had been a national and not a party victory, that the country expected every political party to co-operate with the sole object of bringing back better times, and that whatever party wantonly broke up that accord would be condemned in the eyes of the electorate. He pointed out that it was not easy for men who had hitherto held antagonistic views to reach agreement, and the same speed could not be expected from a National as from a party Government. They were engaged in examining the question of the balance of trade with an open mind, but the situation was more complicated

when the currency was depreciated, and demanded fresh consideration. People always wanted things done "at once," but "at once" was what they could not get in a National Government. What they needed at the moment was patience and confidence; whatever the future might hold in store, the immediate task was for men of all parties to stick together and sink their differences for the good of the nation.

A few days later a similar reminder was addressed to the Conservative majority in even more explicit terms by prominent Liberal speakers at a dinner given by the Eighty Club in honour of the Liberal members of the Cabinet (December 7). Lord Grey, who presided, warned the Conservative majority that it was on its trial in the national interest. If, he said, the masses of the electors were now to be told that the real issue at the last election was the fiscal question and not the financial crisis, they would think they had been fooled, and there would be a terrible reckoning. The majority of the House of Commons should therefore restrict itself to supporting what was necessary to get through the national crisis, and not press for things that could not be accepted by any but a purely party Government. Sir Herbert Samuel uttered a similar warning, remarking that "measures for stopping the flood of abnormal imports from abroad had let loose a flood of abnormal importunities at home."

On November 25 Mr. Lansbury, in the House of Commons, urged the Government not to countenance military action by Japan in Manchuria. Sir John Simon made a guarded reply, in which, after reviewing the steps so far taken by Japan, he cautioned the House against pre-judging the case against her or misrepresenting her attitude to the League of Nations. In view of the delicate situation of affairs, he deprecated further discussion, and Mr. Lansbury accordingly did not press the matter.

The India Round Table Conference remained in session till the beginning of December, and produced a number of reports on constitutional points. It failed, however, to bring any nearer to solution the crucial problem of the minorities. On November 12, it is true, all the minorities represented at the conference, other than the Sikhs, came to an agreement to act together as one body in asserting their claims and rights. But they still showed no sign of drawing nearer to the Hindus or framing a joint policy with them. As a last resort, Mr. MacDonald tried the effect of his personal influence, and on November 14 made an offer to arbitrate, if every one of the bodies concerned would sign a written request to him to settle the community question and pledge themselves to accept his decision. He obtained a number of signatures, but Mr. Gandhi and others insisted that the request should be limited to the Moslems and the Sikhs, and as the Moslems would not agree to this, the attempt fell through.

A considerable section of the Conservative Party had from

the outset watched with no small suspicion the relations of the Government to the conference, and they now demanded that the next statement of the Government's Indian policy should be made not to the conference but to Parliament. The Prime Minister would not consent to this, but as a compromise he promised to allow a Parliamentary debate on the statement after the close of the conference. Before finally deciding on its policy, the Government waited for the closing plenary session of the conference, which commenced on November 28. After a large number of delegates had spoken, the Cabinet met late on November 30, and formulated its statement of policy, which was immediately communicated to members of Parliament as a White Paper.

On the next day (December 1) the Prime Minister delivered the statement orally to the conference at its final meeting. Having referred to the need and the value of co-operation, he announced that he was authorised by the present Government to assure them that the declaration of policy he had made as head of the previous Government in January still held good, and he read out its salient sentences (*vide* p. 5). The Government, he said, desired to reaffirm their belief in an all-India Federation as offering the only solution of India's constitutional problem, and they intended to pursue that plan unswervingly. The discussions of the last two months had shown that there were still formidable difficulties in the way. There was still difference of opinion as to the composition and powers of the Federal Legislature, and in the absence of any settlement of the key question of the safeguarding of minorities, the conference had been unable even to discuss effectively the nature of the Federal Executive and its relation to the Legislature. It was obvious that federation could not be achieved in a month or two. It was also plain that the framing of a scheme of government for the Provinces would be a simpler task which could be more speedily accomplished. In the opinion of the Government, the surest and speediest route to federation would be to get these measures in train forthwith and not to delay the assumption of full responsibility by the Provinces a day longer than was necessary. The conference, however, had made it clear that a partial advance did not commend itself to them, and that they desired any change made in the Constitution to be effected by one all-embracing statute covering the whole field; and the Government had no intention of urging a responsibility which, for whatever reason, was considered premature or ill-advised. This consideration, it was true, would not prevent them from constituting the North-West Frontier Province a Governor's Province. But for the rest there stood in the way of progress, whether for the Provinces or the Centre, the formidable obstacle of the communal deadlock. This was a problem which he had always regarded

as one above all others to be settled by them by agreement among themselves. Twice, however, the conference had essayed the task, and twice it had failed. The Government could not accept those failures as final and conclusive. But, since time was pressing, if the conference could not present the Government with a settlement acceptable to all parties as a foundation upon which to build, then the Government would be compelled to apply a provisional scheme of its own, for it was determined that even this disability should not be a bar to progress. That the Government, however, should supply India even temporarily a part of their Constitution which they were unable to supply for themselves was not a satisfactory way of dealing with the problem, and he therefore begged them once more to take further opportunities to meet together so as to present them with an agreement.

Proceeding, Mr. MacDonald said that the Government intended to go ahead, and, having brought their business down to specific problems which required close and intimate consideration, they would now set up machinery for this kind of work. He proposed, therefore, in the first place, with their consent to nominate a small representative committee—a working committee—of the conference, which would remain in being in India and with which, through the Viceroy, they could keep in constant touch. Next, it was their intention to set up at once the three committees whose appointment the conference had recommended, viz., one to investigate and advise on the revision of the franchise and constituencies, one to test by facts and figures the recommendations of the Federal Finance Sub-Committee, and one to explore more fully the problems arising in connection with certain individual States. They intended that these committees should be at work in India under the chairmanship of distinguished public men from England as early in the new year as possible. Certain other recommendations of the conference would also be acted upon.

In conclusion, Mr. MacDonald said that the conferences had not been failures in any sense of the term, as they had enabled them to mobilise the goodwill of India and England, and to face the hard reality of the great historical problems of India. A vote of thanks to him was moved by Mr. Gandhi, who spoke admiringly of his amazing industry, and declared that he had worked them almost to exhaustion "with a pitilessness worthy of a Scotsman." Mr. MacDonald in returning thanks once more made a plea for co-operation, addressing Mr. Gandhi as "my dear Mahatma."

In accordance with his promise to the India Committee of the Conservative Party, the Prime Minister on the day after the close of the conference (December 2) formally moved in the House of Commons that the Indian policy of the Government as set out in the White Paper should be approved. He reminded the

House—especially the new members—that Great Britain had made it perfectly clear on various occasions and in various ways that it was her intention to lead India up to a position in which it could make itself responsible for its own government. It was therefore the duty of Parliament to watch carefully and vigilantly the progress of affairs in India, in order when that progress reached a certain stage, to take advantage of it so as to increase the amount of self-government which India should enjoy. Two years before, the recommendations of the Simon Commission might have marked the limit to which the Government felt justified in going on the basis of these principles, but since that time there had been a great advance in India in national self-consciousness, with a corresponding growth of political capacity, and the Government therefore thought it right to offer greater concessions to that feeling than had been contemplated by the Simon Commission. Hence its proposal to send committees out to India to deal with the practical problems suggested by the conference. Naturally the Government would have preferred that, before it embarked on the task of constitution making, the Indian communities should have come to some agreement among themselves. It would not, however, allow itself to be deterred by the absence of such an agreement, as this might expose it in India to the suspicion of bad faith. It might possibly in the meanwhile use the existing system in India which provided for communal representation ; certainly it would not take up the attitude that, short of communal agreement, no Constitution could be worked. He therefore asked the House to help the Government to make its work a great and abiding success.

A little later in the debate, the Secretary of State for India emphasised the fact that the White Paper did not indicate any intention on the part of the Government to dispense with safeguards or to take the ultimate decision out of the hands of Parliament. Notwithstanding this assurance, and in spite of an appeal from the Prime Minister, Mr. Churchill persisted in moving an amendment which stood in his name, that a definite statement to this effect should be added to the motion. In a speech lasting an hour and a half, which greatly impressed the House as an oratorical effort, he expostulated with the Conservative Party for having deserted its principles and come round to the Socialist attitude towards India. He pointed out that in January, when the Prime Minister made the declaration which was the vital operative part of the statement of policy, he spoke only for a Socialist minority Government. The Conservative Party had been repeatedly assured that it was wholly uncommitted. Now, however, it was invited to bind itself to the acceptance not only of the provincial autonomy recommended by the Simon Commission, but to responsible government at the centre and the establishment of a federal system ; and this too before agreement

had been reached among the Indians themselves. What, he asked, had occurred to produce this surprising change which they were to be compelled to make at forty-eight hours' notice, without any examination of the scheme put before them? It was not fair to the House and it might be injurious to the State, and it was not to be wondered at if some of them who did not agree with the general tendency of Socialist policy in India felt that they must make some "rugged affirmation" of their own, such as was contained in the amendment. He ironically offered as an alternative to accept the Government's motion, provided the Secretary for India's speech was appended to it, his object being to show that the Government spoke with two voices to two audiences—one to the Indian delegates, who were given honeyed words without firm insistence on British rights, and the other for home consumption, to induce the House of Commons to assent to the White Paper.

Having heard Mr. Churchill's speech, Sir John Simon immediately reiterated the Government's determination to ask the House to affirm its declaration of policy. The reason why they desired such an affirmation was to convince Indian opinion that they really meant actively to promote the achievement of responsible government in India. That was the goal fixed by the Montagu-Chelmsford Declaration, which had been accepted unanimously by the British Parliament in 1919, and had remained unchallenged for over ten years. There might be differences of opinion about the pace at which advance should be made towards the goal. But the amendment, if accepted, would give the impression in India that it was never seriously intended to get to the goal at all, and this would greatly add to their difficulties.

In the subsequent debate, Mr. Wardlaw-Milne, the president of the Conservative India Committee, expressed his satisfaction with the White Paper after receiving an assurance that the length of the "period of transition" mentioned in it depended entirely on the conditions in India and the amount of co-operation which the Government would receive from there. A number of Conservative "die-hards" expressed agreement with Mr. Churchill, but among those who dissociated themselves from him were Sir A. Chamberlain and Mr. Baldwin. The latter, in closing the debate, maintained that in acting with the Prime Minister he was true to the principles which he had laid down in a public utterance two years before and for which he had received warm commendation from the late Lord Balfour. The amendment was finally negatived by 369 votes to 43.

Having obtained the approval of the House of Commons for its India policy, the Government submitted it to the less partial judgment of the House of Lords. On December 8 Lord Lothian, the Under-Secretary of State for India, formally asked their Lordships to approve of the Government's policy. The opposition

was led by Lord Lloyd, who criticised that policy no less vigorously than Mr. Churchill had done, though from a somewhat different angle, laying less stress on the sacrifice of Imperial authority and more on the danger to good government in India. He reminded the House that the past twelve years had seen constitutional ruins littering the Middle East, the Near East, and the Far East. He could not see the need for their being called upon to make a hurried declaration of policy, before they had heard the findings of their committees. The safeguards on which the Secretary for India had insisted in his speech appeared to him to be irreconcilable with full responsibility, and if this was so, they could not get good feeling or really benefit India by the means which they were pursuing. Many of those who had had long experience of the East feared that the Government were on the wrong road to-day if they wanted to help India. They should stop building from the top, and commence building from the bottom, by extending the franchise, widening the basis, and deepening the foundations. They would then begin to find out what the great masses of the people thought, not merely the small urban fraction, and would gain loyalty and support from them, so that the need for safeguards would grow less and less, and not more and more, as they were finding to-day. Because the policy of the White Paper would please no one, would manifestly achieve neither security, democracy, nor good government, and would only still further trouble the hearts and minds of the Indian peoples, he asked the House to declare that the time had not yet arrived when the Government could pronounce a final judgment regarding the solution of the problem.

The Lord Chancellor, who spoke next, said that if the amendment meant that the Government should proceed with due care and caution, then Lord Lloyd need have no fears on that head. But if it was meant to recommend some policy other than that which the Government had recognised as its own, then he would say frankly that the honour of the Cabinet and the honour of the House of Commons was pledged to the White Paper. Above all he opposed the amendment because it would excite suspicion in India, and therefore he appealed to the mover to withdraw it.

A more detailed reply to Lord Lloyd was made a little later in the debate by Lord Irwin, the ex-Viceroy of India, who now addressed the House of Lords for the first time. After pointing out that a policy of rigid repression, even if practicable, would not solve their difficulties, he said that he was well aware, and they all ought to be aware, that general agreement at the present time with regard to safeguards related only to the very broad purposes which had to be safeguarded. It was quite true that there was still a great and legitimate difference of view as to how effect should be given to safeguarding those purposes which it was generally agreed should be safeguarded. But whereas Lord

Lloyd saw in this a reason for closing discussion and taking some definite decision, he rather found in it conclusive argument for continuing the efforts to examine these matters with a determination to reach agreement. Nor was it a question of finding the form of government which they thought would be best for India so much as the one which would satisfy Indian opinion. If India wanted, owing to past history, to try a Constitution such as Great Britain had gradually evolved, he suggested that, subject to whatever qualifications were necessary to fit the circumstances of India, they would have to allow the effort to be made. He admitted that the dilemma raised by Lord Lloyd, of the incompatibility of safeguards with responsibility, was a real one, but if they ran away from that they would be caught in the still worse dilemma of having either to repudiate their promise to transfer responsibility to a central Indian legislature, or to transfer it all at once. It was often said that the Government policy involved risk, but he did not know what did not involve risk. It was also said that it was not logical, but he had never seen a scheme for India that could be said to be logical. To carry the amendment would mean that they should stand still, and this could only ensure failure.

Greatly as it impressed the House, Lord Irwin's speech did not allay the apprehensions of many members, and in the course of a debate which was continued through three days, a number of speakers expressed their reluctance to commit themselves at this juncture to support the White Paper. Lord Salisbury suggested, and Lord Middleton formally moved, that the debate should be adjourned to the next session in order to give their Lordships more time to study the question. Lord Hailsham, in order to remove their apprehensions, made it clear that the Government were not asking the House to sanction any definite constitutional changes in India, but merely to give its consent to the Government proceeding on the lines on which they were attempting to build. Whatever scheme they should frame would of necessity come before each House of Parliament for its approval, and no member who voted for the proposal before the House would be in any way committed to accept that scheme or to vote for that Constitution unless he was satisfied that the safeguards were adequate and the protection set up real and sufficient. The Government, he pointed out, need not have come to the House with the resolution at all. They could simply have declared their policy through the mouth of the Prime Minister and then proceeded with their various inquiries and investigations, and, if these were successful, have framed their Bill and presented it to both Houses of Parliament. But they were rather proud of the fact that they were a National Government, and they desired at the earliest stage to associate with themselves both Houses of Parliament. They also desired to let the people of

India know that in proceeding on these lines they had the overwhelming support of the House of Commons and, as he hoped, of the House of Lords.

On a division being taken, the motion for the adjournment of the debate was defeated by 106 votes to 58. Lord Lloyd's amendment was then negatived and the motion approving the White Paper agreed to.

On November 28 a Round Table Conference to deal with the special problems of Burma on the analogy of the India Round Table Conference was opened by the Prince of Wales in the King's Robing Room of the House of Lords. Although Burmese delegates had attended the India Round Table Conference in the previous year, they had felt from the first that their problems were quite different from those of India, and the Government had therefore consented to discuss them separately. The Prince, in his opening speech, referred to the visits which his parents and he himself had paid to Burma, and declared that the British people felt nothing but goodwill towards the people of Burma and their honourable desire to shoulder in increasing measure the burden of political responsibility. Lord Peel was appointed chairman of the conference.

The benefit derived by the coal-owners from the decline in the value of sterling was largely neutralised by the action of the French Government in the middle of November in imposing a surtax of 15 per cent, on all imports from Great Britain. The Government made representations on their behalf to France, but without effect. Speaking in the House of Commons, on December 4, Mr. Runciman stated that the Government was amazed at the action of the French in upsetting a practice which had prevailed during two generations by imposing discriminatory duties against British goods, and he threatened that, if the matter were not settled satisfactorily, Britain might retaliate, though he did not state how. Nor was this Britain's only complaint against France at this time. On December 1, when M. Flandin, the French Minister of Finance, was in England on a private visit, Sir John Simon had taken the opportunity to converse with him unofficially in order to see whether he was prepared to make any concessions to Germany in the matter of reparation payments, but had found him inflexible. Public opinion in England saw in France's attitude to Germany one of the main obstacles to an improvement in the international financial situation, and a wave of anti-French feeling became distinctly discernible in the country.

On December 9 Sir S. Cripps, on behalf of the Opposition, moved a vote of censure on the Government, the grounds being that it had failed to take any effective steps for dealing with the currency and exchange situation or to stimulate international trade, and also that it was neglecting the unemployed and allowing

rents to be raised unduly. The Prime Minister, in his reply, defended the Government against all these charges. While, he said, there were differences of opinion about the advisability of a return to the gold standard, all who were competent to speak were agreed that it would be madness for Britain to declare at once the permanent value of sterling, before there had been any settlement of the international situation which controlled the exchange value, and under unknown and uncertain conditions. If they had not yet formulated a definite policy for dealing with the currency and trade problems, this was because the problems were exceedingly intricate, and required time for consideration. But where it was a question of taking temporary measures, they had shown a swiftness of action and a determination to act effectively unequalled by any Government in his experience. The Government regretted the delay in the holding of an international conference on the debts question, but they were certain that an attempt on their own part to hasten the conference would not have been fruitful. In regard to the unemployed, he fully shared the sentiments of the mover, but he reminded him that they had to cut their humanitarian coat according to their financial cloth. In regard to rents, he admitted that there was a disposition on the part of landlords to take unfair advantage of their monopoly, but he was able to state that the Government had recently received a report from a committee appointed to investigate the subject, and had decided to introduce legislation in due course.

In accordance with the suggestion made by the Prime Minister a few days before, Mr. Amery took advantage of the debate to press the Government once more to impose a duty on iron and steel imports without delay. Mr. Runciman, in reply, adduced a formidable array of facts and figures to prove that the case for such a duty had not yet been made out. There were, he said, two points to be considered. One was the extreme complexity of the industry, which made it a matter of great difficulty to work out a scientific tariff. The other was the fact that any protection given to the producers of iron and steel might adversely affect the users of iron and steel, who were a much more numerous body, though less vocal. His mind was still open, but he refused resolutely to be hurried or rushed. In any case, he maintained, there was not such need for immediate action as the advocates of the duty pretended, since the state of the industry, though bad, was not so desperately bad as was made out, as they still retained a good proportion of the home market, and at any rate their production had not fallen as much as that of Germany and the United States.

Mr. Runciman silenced if he did not convince his critics. A number of members—those who belonged to the Empire Industries Association—had intended to agitate for keeping

Parliament in session until their demands should be satisfied. After hearing Mr. Runciman's speech, however, they decided to make no demonstration of hostility against the Government, and contented themselves with informing the Conservative leaders that the Association had not changed its opinion as to the serious position of the iron and steel industry.

Mr. Runciman had closed his speech on a reassuring note, asserting that the country had much to be thankful for, and that it was not so near the economic precipice as some seemed to imagine. Later in the debate, the Chancellor of the Exchequer gave a similar assurance with regard to the financial situation. He pointed out—for the benefit chiefly of foreign observers—that the position of England was quite different from that of France or Germany at the time of the depreciation of the franc or the mark. At that time there were large gaps in the Budgets of those countries which had to be filled by the use of the printing press. England also had at one time come near to a similar predicament, but now the risk had completely disappeared. There was no ground for imagining that there was going to be any deficit, or at any rate any serious deficit in the Budget of the current year, and still less in the Budget of next year, and the Government would be able not only to meet all its obligations out of current revenue, but also to make a substantial provision for debt redemption.

Besides imposing import duties, the Government, before Parliament rose, did two other things which greatly pleased the Conservatives and vexed the Socialists. On December 1 it announced its decision to accord recognition to the British National Cadet Association (without, however, accepting any financial liability), thus reversing a decision made by the Labour Government in March, 1930 (*vide* ANNUAL REGISTER, 1930, p. 24). On December 8 the Chancellor of the Exchequer announced in the House of Commons that the Government had decided to suspend work on the valuation of land which had been commenced under the provisions of the Land Tax Act, and to disperse the temporary staff which had been engaged in connection with it. He pretended that this step had been taken purely in the interests of economy and without prejudice to the merits of the plan itself; but Labour members entertained no doubts that Tory hostility to the Act had been an equally potent cause.

As soon as the Horticultural Products Bill had been passed, the Prime Minister announced that Parliament would rise on December 11 for the Christmas vacation. The decision to close the session so soon was criticised both in and out of Parliament as not being consonant with the gravity of the country's position. To silence such complaints, the Prime Minister assured a correspondent that the Government were fully sensible of their responsibilities and were not contemplating any pause in their

work. Some of the issues with which they had to deal were so complicated that time must elapse before comprehensive plans could be made to deal with them. There was therefore no point in keeping Parliament longer in session, and Ministers would now have more time to devote to the tasks of the moment in their Departments.

Widespread regret was caused by the announcement on December 11 that the Cunard Steamship Company had decided to suspend work on the construction of the giant liner of 73,000 tons which had been commenced early in the year. This was the ship which the Government had assisted the company to take in hand by partially guaranteeing the insurance (*vide* ANNUAL REGISTER, 1930, p. 86). The chief reason given for the step was the adverse effect on the company's finances and prospects of the decline in the North Atlantic passenger and freight traffic. As the work gave employment to about 3,000 men directly and 10,000 indirectly, it was thought in some quarters that the Government might give the company financial assistance, but Mr. Runciman declared on the next day that this was out of the question, and all he would promise was that they would carefully consider any proposals the company might make. About the same time the Government decided on grounds of economy to dismantle the airship R100 and abandon the works at Cardington (*vide* p. 44).

Shortly before Christmas an announcement was made of the constitution of the three committees which the Government had promised the India Conference to set up and send out to India. The Chairmen were Lord Lothian, Sir E. Percy, and Mr. J. C. Davidson, and they were intended to leave for India early in the coming year. About the same time the President of the Board of Trade issued a third Order imposing a duty of 50 per cent, on sixteen classes of articles, including cotton piece goods, handkerchiefs and shawls, and household cotton goods.

The year closed, as it had opened, with the prospect of trouble in the Lancashire cotton trade. Having come to the conclusion that they could no longer afford to pay the present rate of wages, the Federation of spinning manufacturers at the end of November gave notice to terminate the existing wage agreement, which dated back to 1919, and invited the workers to negotiate with them a new agreement on the basis of longer working hours. The operatives peremptorily refused, and the Federation thereupon authorised its members to make what arrangements they pleased with their workpeople as from January 1. The results were awaited with no small foreboding. On the other hand, the weavers, who at the beginning of the year had so uncompromisingly opposed the introduction of the more-ooms-per-weaver system, now showed themselves willing to discuss the question.

Throughout December the British Government was in communication with the French Government with a view to framing a common policy on the subject of reparations and war debts. Mr. MacDonald at one point suggested to the French Prime Minister a personal interview, but he received no encouragement. The hopes entertained on both sides that the United States might come to their aid were greatly weakened by the discussions in Congress on the Hoover moratorium, and in England the bitterness felt against France was in part turned towards America. After the publication of the Basle report which described the international financial situation as desperate, the British Government came to the conclusion that its former scruples were no longer in place, and decided to take the initiative in summoning an International Conference on Reparations. Accordingly, on December 30, it instructed its representatives in France, Germany, Italy, Belgium, Japan, Greece, Rumania, Yugoslavia, Poland, Czechoslovakia, and Portugal to propose to the Governments of those countries that they should request the Swiss Government to allow such a conference to meet at Lausanne on January 18. The United States Government was notified of this step without being asked to participate.

The closing weeks of the year brought no marked change either in the economic or the political situation. After sinking for a short time to a gold value of less than 13s. 6*d.*, the pound rose again slightly till it stood at the end of the year at over 14s. At that level it continued to provide a welcome bonus on exports without causing any rise in internal prices. The effect was seen in a steady decline of the unemployment figures, which in the week before Christmas fell to under 2,600,000—less than 100,000 more than a year before. This result, however, was partly due to disallowances under the new regulations. The improvement in the export trades, such as it was, could not counter-balance the impoverishment caused by increased taxation and by the curtailment of State grants, and at the end of the year the country was awaiting with deep anxiety the outcome of the forthcoming international conferences, on which it felt that its own future, along with that of the rest of Europe if not of the world, largely depended.

IMPERIAL HISTORY.

CHAPTER I.

IRELAND.

NORTHERN IRELAND.

THE outstanding event in Northern Ireland during the year was the repercussion of the attempt on the part of the Irish Republican Army to suppress an Orange meeting in County Cavan on August 11. The Orange meeting was not held, but a number of young men were arrested for having issued military orders in the public streets of Cootehill, a town on the Northern Ireland-Free State border. The net result of this affair was that there were serious anti-Catholic riots in Armagh, Lisburn, Portadown, and Belfast. In these towns between sixty and seventy persons were injured, and damage to property amounted to nearly 5,000l. In the town of Portadown alone damage to the extent of over 1,000l. had to be made good at the expense of the rates.

As the year ended (December 29), Belfast was shocked by the rumour that about 2,000,000l. would have to be provided from the rates in connexion with the destruction of the steamer *Bermuda* while in dock there for repairs. The steamer had been destroyed by fire, and had become a total wreck, so that it would have to be sold as scrap. While there was some suggestion of malice in the destruction of the ship, the case had not come before the Courts, but the mere suggestion that Belfast would have to find another 2,000,000l. out of its rates caused general consternation.

While the economic position of Northern Ireland continued to give cause for serious thought it was believed that the Budget would yield a surplus in contribution to "Imperial Services." The extent of this surplus depended upon the amount of the deficit in the Unemployment Fund, which was provisionally estimated during the year at 1,709,000l.

Industry and trade in Northern Ireland experienced a year of exceptional difficulty. In agriculture and shipbuilding the full effects of world depression and the fall in commodity prices were severely felt, but towards the end of the year the prospects of the linen industry were appreciably brighter. The departure

from the gold standard, and the imposition of a tariff, assisted the export trade in linen and the improvement was reflected in the unemployment figures. At the end of 1930 there were 72,437 persons unemployed in Northern Ireland, but at the end of 1931 the numbers of unemployed had declined to about 64,000. As shipbuilding employed the smallest number of workers in recent years, the improvement is mainly attributable to better conditions in the linen trade.

During the year there was a general reduction in the wages of the operatives in the linen trade amounting to about $7\frac{1}{2}$ per cent. About 50,000 persons were affected by this change.

The shipbuilding industry in Belfast found 1931 a year of unprecedented depression. The aggregate tonnage launched in Belfast during the year amounted to only 79,434 tons, as compared with 168,201 in 1930. The Port of Belfast, however, showed an increase of 82,120 tons, in the registered tonnage of vessels cleared, over 1930. Up to the middle of December ships aggregating 3,644,528 tons were cleared at Belfast, and notwithstanding the general depression the goods traffic was only slightly lower than that of the preceding year. The total imports and exports for the year amounted to 2,945,684 tons, as compared with 2,972,416 tons in 1930.

The General Election, which brought a National Government into office in London, left the position in Northern Ireland unchanged. With the exception of the General Election the political events of the year were unremarkable, and only the religious riots of August ruffled the pervading calm. Changes in personnel in the Northern House of Commons only tended to emphasise the fundamentally unchanged political position. During the year the administrative offices were removed to the new buildings at Stormount, and it is believed that the Parliament will be opened in the new Houses there sometime in the early summer of 1931.

For the first time strong comments were heard in Belfast business circles on the methods of English finance, when it became known that the Belfast Bank, which is a mere satellite of the Midland Bank, had been responsible for the increase in the Irish Bank rate following the suspension of the gold standard in September. For the first time in recent years the Irish Bank rate did not follow the increase in the Bank of England rate at that time, but remained at $4\frac{1}{2}$ per cent., and it was generally believed that the influence of the Midland Bank had been exerted, and not altogether unwillingly accepted.

The trouble in connexion with the Stranmillis Training College continued throughout the year, and no solution was in sight at the year's end. This was the only serious political problem which the Parliament of Northern Ireland had before it, now that the trouble in connexion with the revaluation

proposals of the Government have been safely negotiated. For a time it looked as if the "Revaluation Bill might lead to a defeat of the Government, but by astute tactics the Bill was safely passed through the House of Commons with a comfortable majority.

IRISH FREE STATE.

The political year, which ended when the Dail and Senate rose on December 17, was one of considerable legislative importance. The economic disorders of the world had their reactions in the Free State, and when Great Britain departed from the gold standard in September the Free State automatically followed suit. In the Free State the immediate effects of this were not violent ; nevertheless the Government thought it advisable to take measures against the possibility of an unbalanced Budget at the end of the financial year. An Emergency Budget was, therefore, introduced in November which added 6*d.* in the £ to the income tax and 4*d.* per gallon on petrol, the yield from which was estimated to produce the amount required to balance the Budget.

Discussion of a tariff scheme to prevent dumping in Great Britain suggested to the Free State Government the possibility of diversion of foreign goods to its market; accordingly on November 4 a Bill was introduced and passed through all its stages giving the Executive Council power to impose provisional duties on such goods. The powers then conferred were used towards the end of December to impose tariff duties ranging up to 50*s.* per cwt. on imported bacon, with the proviso that bacon from any country of the British Commonwealth was to be admitted free of duty.

The most important political event of the year was the passing of the Constitutional Amendment (No. 17) Act during the month of October. This measure aroused tremendous interest both before and after its passage, and the necessity for it was explained by the fact that illegal drilling was prevalent in many parts of the country and at least two murders were directly traceable to armed organisations. There had been considerable activity in these armed groups throughout the year, beginning with a shot fired at the President's car in January and culminating in the murder of an alleged " spy " in Tipperary later in the year. The Government declared that the very existence of the State was menaced by republican and communistic groups, and accordingly twelve organisations, including the Irish Republican Army, were declared to be illegal. The main provisions of the Act included the institution of a Military Tribunal for the trial of persons charged with sedition, illegal drilling, or membership of the illegal organisations which were later listed by the Executive

Council. A novel feature of the Act was that in the case of a member of the *Oireachtas* being killed or prevented by illegal acts from attendance to his political duties, the Governor-General, on the advice of the Executive Council, might appoint another person to take his seat in Dail or Senate. The Military Tribunal met during the last two months of the year and imposed many sentences on members of illegal organisations, mainly for contempt in refusing to recognise the court. Throughout the country the utmost calm prevailed, although it was anticipated that there might have been disturbances.

During the year fifty-six new Acts were passed by the *Oireachtas*, dealing with almost every aspect of the life of the State. Considerable time and attention was given to matters affecting agriculture, and one of the first major subjects discussed was the proposal to allot 750,000l. to the relief of rates on agricultural land. This was due to the agitation among the farming community for de-rating, which in its turn was due to the depression in agricultural prices. The allocation was made in the Budget, and was operative throughout the subsequent period.

The second major piece of legislation affecting agriculture was the new Land Act, which affected an immediate reduction in the annual payments of holders and hastened the process of vesting by the Land Commission. The Annual Report of the Land Commission pointed out that 300,000 holdings had been vested during the past fifty years, and it was hoped that the 1931 Act would complete the process.

In his ninth Budget statement the Minister of Finance, Mr. Ernest Blythe, estimated the expenditure for the year at 24,658,150l., and the revenue at 24,661,000l, leaving a possible surplus of 2,850l. To meet the new expenditure for the relief of rates on agricultural land he proposed to tax petrol another 4d. a gallon, to increase the tax on talking films from 1d. to 3d. a foot, to increase the customs duty on sugar from 11s. 6d. to 16s. 4d. per cwt., and to impose an excise duty on home-manufactured sugar of 4s. 6d. per cwt. The Death Duties were brought into line with those of Great Britain, but the tax on capital was reduced from 11. to 5s. per cent. The tax on racecourse betting was abolished, as was also the tax on personal theatrical performances. He stated that the outstanding Public Debt at the end of the financial year amounted to 29,381,000l., against which there were Exchequer assets amounting to 14,100,000l. His expressed hope that the Free State would escape the difficulties of the time was nullified by the conditions of the later period of the year, and a Supplementary Budget had to be introduced in November.

On March 19 Mr. McGilligan, Minister for External Affairs, created a new precedent in Dominion procedure by visiting the King at Buckingham Palace to discuss constitutional matters

of high importance. The most significant of these was the new procedure to be adopted by the Government of the Irish Free State in tendering advice to the King and executing documents of an international character. Up to this time the King, although acting upon the advice of the Free State Ministry, had received the advice through the Secretary of State for the Dominions, and the ratification of treaties was sealed with the Great Seal of England. It was now agreed that the Government of the Irish Free State shall advise His Majesty directly on all such matters and that all such documents shall be sealed with a new seal which will be the property of the Irish Free State, and which will be struck, kept, and controlled in Dublin. The passage of the Statute of Westminster brought constitutional practice into line with constitutional theory.

Betting and Sweepstakes occupied a considerable portion of the time of the legislature, and a new Betting Act and three Acts dealing with Sweepstakes were passed during the year. The new Betting Act made important amendments in the code under which premises are licensed and conducted, and the benefits of the Sweepstakes were extended to the hospitals conducted by public authorities and to charitable nursing organisations. During the year a sum of 1,800,000l. was made available to Free State hospitals by means of Sweepstakes.

The working of the Electricity Board caused some uneasiness, and in the early part of the year the Board was re-constituted. An additional sum of 2,000,000l. is to be placed at the disposal of the Board at the instance of the Minister for Industry and Commerce, who will supervise its expenditure. During the year the Shannon Hydro-Electrical Station generated 146,540,700 units and sold 110,000,000. There was an increase of 57,420,700 in the units generated and an increase of 45,000,000 in the number of units sold.

The Road Traffic Bill, which was introduced in 1930 and was given a second reading in 1931, was still in the Committee stage at the end of the year, and it is likely to be re-drafted before it can secure a safe passage. Road Transport and Railways Bills were also introduced, but these likewise were allowed to pass over into another session, or into a new Parliament. The Housing Bill, which brings into operation a very comprehensive plan for the improvement of the housing conditions in all parts of the Free State, and which is likely to abolish slums once for all, was one of the most important measures of the year.

The marketing and sale of butter occupied a large portion of the time of the *Oireachtas*. An import tax of 4d. per lb. was imposed as a permanent feature, when the prohibitive impost of 1930 came to an end, and it was supposed that this would encourage winter dairying in the Free State. The Associated Creameries, Ltd., which was formed to market Free State butter

in Great Britain was liquidated, and efforts were made to organise another body to replace it. The Butter Tribunal, which made a report on the whole problem, outlined a scheme which it was suggested would enable marketing to be done in Great Britain without the competition which had harmed the Free State butter trade in the past. The scheme, however, failed to secure sufficient support from the creameries, and the season passed without any co-ordinated marketing system.

One of the most interesting pieces of legislation during the year was the Adaptation of Enactments Act, 1931, which brought the legislation of the pre-Union Irish Parliament into operation in the Free State. It was discovered that, while an Act had been passed to adapt and re-enact the laws operative when the Free State came into being, the legislation of Grattan's Parliament had been overlooked. The special circumstance which made this discovery of importance was the necessity for renewing the patent of a Dublin theatre, the grant of these patents being governed by the legislation of the pre-Union Irish Parliament.

The appointment of a County Librarian in Mayo looked like involving the Government in difficulties at the beginning of the year. The Local Appointments Commission appointed Miss Dunbar-Harrison, a graduate of Trinity College, Dublin, to the position, but the local authorities refused to ratify the appointment on the ground that the lady was a Protestant and was not qualified in the Irish language. It was contended that as the great mass of the County population was Catholic, a Protestant could not be charged with the supervision of its reading, and that as many people in the County understood only Irish the statutory three years' period in which to make an official proficient in the language could not be permitted. The Government insisted upon the appointment, and dissolved the recalcitrant County Council, placing the administration of the County in the hands of a Commissioner. At the end of the year it was reported that the difficulty had been cleared by the appointment of Miss Dunbar-Harrison to another position.

Speaking in Dublin, on May 5, President Cosgrave said that the main question still outstanding between Great Britain and the Free State was that of the Judicial Committee of the Privy Council. Appeals from the Free State Supreme Court to that body were an anomaly and an anachronism, and their continuance incompatible with the status of the Free State, and an insult to its dignity. In the interests of both countries, he said, the right of appeal must disappear, and soon.

The attempt of the Irish Republican Army to suppress a meeting at Cootehill, in County Cavan, on August 12, led to repercussions in Northern Ireland (*q.v.*) in which many persons were injured and much damage was done to property in several northern towns.

Three members of the Dail died during the year, and vacancies were created in Kildare, Leix-OfiFaly, and Carlow-Kilkenny. A by-election was held in Kildare, and a Labour seat was captured by *Fianna Fail*. The other two seats were still vacant at the end of the year.

The triennial election for members of the Senate resulted in the increase of the *Fianna Fail*, the number of Senators being eleven. While there were several changes in personnel none were of a sensational or important character. What was quite plain, however, was that the Senate was becoming a party assembly, in which the party alignments of the Bail will be repeated. Nominations were made by the parties, and the election conducted on the strictest party lines by the members of both Houses who constitute the electorate.

CHAPTER II.

CANADA.

ALTHOUGH the effects of the world economic depression were felt throughout the Dominion, the year opened with its banking institutions in a sound condition, an abundance of capital available for industrial expansion, an increase in the building of branch factories and an extended demand for electrical energy. The grave wheat situation—caused by the collapse of wholesale prices abroad—continued, however, to cause anxiety and hardship in the Prairie Provinces.

Mr. Bennett, the Prime Minister, paid a visit to the West in the early days of the year, and after conference with the Provincial Premiers, announced that the Dominion Government would take immediate steps to carry out its promises of relief measures.

Accompanied by the United States Minister to Canada, Mr. Macnider, and Mr. W. D. Herridge (who was shortly afterwards appointed Canadian Minister to the United States), the Prime Minister also visited Washington during January, where he met President Hoover and conferred on several international problems, including the development of deep waterways on the St. Lawrence river and the removal of restrictions on the crossing and recrossing of the boundary by citizens of Canada and the United States. Mr. Bennett also exchanged views on economic problems of the two countries, particularly those arising from Russian competition in agricultural products, timber, pulp-wood, and coal.

Labour conditions were reflected in the announcement made by Mr. Gordon, Minister of Immigration, at Toronto on February 16. The policy of the Federal Government, he stated, was

vigorously to restrict immigration for two years to incomers with sufficient capital to maintain themselves on the land for a reasonable period, and to abolish assisted passages for immigrants from Great Britain, except in the case of boy immigrants trained for agricultural pursuits on Government training farms.

Widespread discussion was provoked by the publication of informal overtures made by the Soviet Government to the Canadian Government for the resumption of trade relations, and on February 27 the Government passed an Order in Council prohibiting all imports from Russia of coal, wood-pulp, lumber, timber of all kinds, asbestos and furs, to be effective immediately.

The Second Session of the Seventeenth Parliament was opened in Ottawa on March 11. In the absence of the Governor-General,¹ Mr. Justice Duff, Administrator, read the Speech from the Throne, after which the House of Commons met for a short session and transacted some formal business.

The Speech from the Throne began with a review of the economic situation. Canada, it said, had been spared the degree of hardship which many other nations were experiencing, but the problems standing between the country and ultimate prosperity were many and great. The Government, after careful study, had reached the conclusion that many Canadian problems were antecedent to, and not the fruit of, the world depression. This belief had impelled Ministers during the Emergency Session (September, 1930) to remove one root weakness of the industrial system by effective tariff changes which would provide substantial security against harmful world competition, and this tariff legislation had already made a marked improvement in the economic situation by strengthening established industries and inducing many others to come to Canada. The operation of the Unemployment Relief Act, which had resulted in a programme of public enterprises throughout the nation, had been equally beneficial in alleviating unemployment.

After referring to the work of the last Imperial Conference, and the embargo on Russian imports which had been imposed "in pursuance of the fixed policy of the Government to combat all influences inimical to the social and economic welfare of the Dominion," the Speech intimated that the Ministers had under consideration means for orderly marketing of the Western wheat crop, and while they had already taken such steps as circumstances seemed to justify, they were aware that changing conditions in the world's markets might necessitate further intervention by the Government, which was prepared to render whatever additional assistance might be deemed advisable.

¹ After ceremonies of farewell, Lord and Lady Willingdon left Canada on January 14 for England en route to India, and the Earl and Countess of Bessborough—their successors—arrived at Halifax, where Earl Bessborough was sworn in as Governor-General on April 4.

Ministers were persuaded that the broad outline of their general scheme of national development, including the provision of old-age pensions, aids to agriculture, and technical education, and highway construction, could not be profitably altered, and Parliament would be asked to sanction complementary measures as the economic situation warranted. It would also be asked to consider further revision of the tariff, but this would include only " incidental adjustments to the British Preference schedules."

In the course of a speech during the debate on the reply to the Speech from the Throne, Mr. Mackenzie King, Leader of the Liberal Opposition, vigorously criticised Mr. Bennett's stand at the last Imperial Conference. The Prime Minister, he said, had attempted to coerce the British Government into imposing a tax on foodstuffs for the benefit of Canadian wheat-growers, while at the same time the Canadian Administration had raised its tariffs against British imports and apparently intended to raise the barriers still higher.

The Premier, replying, declared that he had attempted to exert no coercion of the British Government to adopt a tariff preference for Empire products. He believed that the adjourned conference at Ottawa would achieve some results, and he strongly protested against the Opposition Leader's statement that hostile feeling had been created between the Governments of Great Britain and Canada. The crux of the wheat marketing situation, continued Mr. Bennett, was the price fixed by the dumping of Russian and other foreign wheat on the British market at prices less than the cost of production in Western Canada.

The long debate on the Address in reply to the Speech from the Throne—in which more than 100 members took part—was concluded by the defeat of the Liberal amendment and the sub-amendment of the Alberta Progressive group and the adoption of the main motion by a Government majority of 34, on April 21.

Acting the dual role of Prime Minister and Minister of Finance, Mr. Bennett delivered his Budget Speech on June 1. A deficit of 75,244,000 dollars (15,049,000l.) during the last financial year was disclosed. Owing to the trade depression, all sources of revenue had diminished with the exception of income tax, and that had only been maintained because assessments had been based on earnings in 1929. Several measures of new taxation were announced, as well as tariff revisions designed to protect Canadian industry against foreign competition.

The total revenues for the fiscal year Mr. Bennett summarised at 356,000,000 dollars (71,200,000l.), a decrease of 90,000,000 dollars (18,000,000l.), as compared with 1929-30. On the other hand, there had been some substantial increases in expenditures connected with unemployment relief, old-age pensions, and increased services generally, such as subsidies to the provinces.

The total ordinary expenditures for the year were 394,000,000 dollars (78,800,000l.), an increase of 36,000,000 dollars (7,200,000l.).

The total net debt of Canada at the close of the year was 2,261,000,000 dollars (452,200,000l.). Subscriptions to the new conversion loan offered to the public recently, Mr. Bennett said, totalled 627,000,000 dollars (125,400,000l.), although the original goal had been only 250,000,000 dollars (50,000,000l.). He noted that the total European War pension payments since the outbreak of hostilities had been 480,000,000 dollars (96,000,000l.), while the total payments for treatment and after-care of returned soldiers had been 182,000,000 dollars (36,400,000l.).

Liberals criticised the Budget on the grounds that the new taxes and higher tariffs would intensify the stagnation of trade and fall most heavily on those least able to bear the additional burden, and Progressives proposed the adoption of measures similar to those taken by other countries in abandoning the gold standard for international exchange, but, after a comparatively brief debate, the Budget resolutions were carried.

In view of unprecedented world conditions for the marketing of wheat, a Conference of Wheat Exporting Countries was held in London (May 18-24) under the chairmanship of Mr. G. Howard Ferguson, Canadian High Commissioner, who had taken up his appointment in February. Delegates from eleven countries participated, including Argentine, Canada, United States of America, and Soviet Russia. After an exhaustive inquiry into the problems of over-production and the irregular distribution of wheat supplies, the conference recommended, *inter alia*, the setting up of an International Wheat Information Service to obtain trustworthy and up-to-date data from all wheat-exporting countries in order that they might co-operate harmoniously in the orderly marketing of their crops.

In Canada the Grain Trade Commission (appointed in March) was presided over by Sir Josiah Stamp, the well-known English economist, and investigated the effect of dealing in futures upon the grain industry. The Commission, after hearing some seventy witnesses, and visiting the principal grain centres, reached the conclusion that in addition to providing the producer with a system of grain insurance for the handling of his grain, futures trading was of distinct benefit to the grower in the price he received. Their report was tabled in the House of Commons at Ottawa on June 4.

Canada's adherence to the Statute of Westminster embodying the constitutional changes approved at the Imperial Conference of 1930 was unanimously approved by Parliament on June 30. The effects of the proposed changes had been fully explained by Mr. Bennett at a Conference at Ottawa of the Canadian Government with the Provincial Governments during April, when representatives of the nine Provinces approved the recommendation of

the Conference on Dominion Legislation held in London. In moving the Resolution in Parliament, the Premier carefully described the new legal arrangements of the Empire and the reasons animating them.

The affairs of the Beauharnois Light, Heat, and Power Corporation of Quebec, involving allegations that large contributions had been made to political funds by interested parties in furtherance of the Corporation's scheme of water-power development, aroused considerable controversy in Parliament and the Press. The report of a Parliamentary Committee appointed to inquire into the matter was tabled on July 28. Unanimity was reached by the Committee only after prolonged sessions. The report recommended that the Dominion Parliament should take, without delay, such action for the completion of the Beauharnois project as might be within its power, and as would not prejudice the rights of the Province of Quebec, with whom it suggested an attempt should be made to reach a satisfactory agreement. It also recommended that action be taken to preserve rights of navigation and the Dominion Parliament's complete jurisdiction over them.

Concluding a debate on this subject in the House of Commons, the Prime Minister announced that the Government proposed to annul the Federal Order in Council passed by the late Government authorising the Beauharnois development, and that the Government had prepared a Bill with the object of reconstructing the whole Beauharnois enterprise. The proposed legislation would be operative when proclaimed by order of the Cabinet, and provision would be made for the protection of investors who had bought securities in good faith. Hereafter any further diversion of the St. Lawrence river would be authorised only by Parliament.

Parliament was prorogued on August 3. The legislation of the session included, in addition to that already recorded, the ratification of a new reciprocal Trade Agreement with Australia; authority to appoint a new Tariff Board, the reorganisation of financial administration to include a new office of Comptroller of the Treasury; provision of the Federal Government to pay 75 per cent, of the cost of Old-Age Pensions instead of 50 per cent, as formerly; revision of the Naturalisation Act, the War Pensions Act, and the Criminal Code, and measures giving the Government a "free hand" during the Parliamentary recess to deal with unemployment, farm relief, and the maintenance of "peace, order and the good government of Canada."

During August the financial arrangements for the handling of the 1931 wheat crop were the subject of conferences between Mr. Bennett and representatives of the Banks, the Western Provincial Governments, and the Wheat Pools. In a statement following the conferences the Premier said that the Government would take whatever action might be necessary to ensure the

orderly marketing of the crop of the year. "Panic conditions **will** not be permitted to control the prices obtainable for this year's western grain crop." The statement also defined the position of the Wheat Pools by announcing that they would have ample working capital and that the Provinces would not be called upon to guarantee their operations.

In the same month Provincial General Elections were held in Prince Edward Island and Quebec. The Liberal Government of Prince Edward Island was defeated on August 6, when 19 Conservatives were elected and 10 Liberals. The new Government was headed by Mr. J. D. Stewart, a former Premier. The Quebec elections on August 24 resulted, to the general surprise, in an overwhelming victory for the Liberal Party, who carried 79 out of the 90 seats in the Legislature. Probably the most important factor in the Liberal victory (which was a great personal triumph for Mr. Taschereau, the Liberal Premier) was the support given him by three leading Conservative newspapers, which strongly opposed the Conservative leader, Mr. Camillien Houde.

Some apprehension was felt in Canada following Great Britain's suspension of the gold standard. Prominent Canadian financiers expressed the view that no drastic consequences need be expected from this action, and the Prime Minister announced (September 21) that "Canada will maintain the gold standard. What Britain may do is her concern." Repercussions in the stock markets and financial interests generally were, on the whole, favourable to the action taken by Great Britain. Nevertheless, the Canadian dollar at once began to depreciate in New York, and continued to fluctuate below par for the rest of the year.

The decline of the pound having affected the trade situation, the Government promulgated on September 28 an Order-in-Council decreeing that for the purpose of collecting duties the value of imports from countries with depreciated currencies would be based on the rate of exchange on the day of shipment. Immediately Canadian manufacturers realised that this regulation implied a substantial increase of the British tariff preference they made strong representations against it. Subsequently the Order in Council was rescinded and a further order made declaring that the difference between the depreciated pound and the pound at par should be treated as a "dumping duty" to be collected on **all** importations from Great Britain.

Answering criticisms of this action, Mr. Cahan, Acting Minister of National Revenue, explained that the purpose of the **Government** was to maintain the former equilibrium between Customs duties and prices upon imported British goods, giving the Canadian producer essentially the same degree of protection **and** price stability as he would have if the pound sterling were at par and import prices were the same as those hitherto obtaining.

On October 19 Mr. Bennett announced that the Government had passed an Order in Council prohibiting the export of gold from Canada except by licence issued by the Minister of Finance. The order stated that the Dominion and certain Provinces and municipalities had incurred obligations payable in gold outside Canada, particularly in the United States, and it was considered desirable that Canada should take reasonable precautions to ensure that such obligations be discharged in accordance with their terms and to provide that Canadian trade might continue to be maintained on a credit structure based on notes of the Dominion of Canada backed by the security of gold holdings as stipulated by statute.

The British election campaign was followed with keen general interest and, on the return of the National Government to power, the question of an early meeting of the postponed Imperial Economic Conference was at once raised. "The Canadian Government earnestly hopes," stated the Premier, "that the difficulties hitherto prevailing have now been removed, and it will immediately propose to the Governments of the Empire that the Conference shall meet in Ottawa at the earliest possible date. This Government is confident that the Conference will achieve an enduring plan of closer economic association. The need for such an association has never been more urgent and its benefits never more apparent. Canada will do its fair share to bring it about."

Early in November Mr. Bennett left Canada for a short and informal visit to England. During his stay in London he consulted unofficially with Mr. Ramsay MacDonald and members of his Cabinet particularly on matters arising in connection with the development of trade within the Empire. Simultaneously with his departure for Canada it was announced in the British House of Commons that the policy of a Wheat Quota had been agreed upon by the British Government. During his absence a National Service Loan, for which he had made preparations, was floated in Canada with an objective of 150,000,000 dollars. Subscriptions poured in from all parts of the Dominion, and the application lists were closed (Nov. 30) one week after the bonds had been offered to the public, with a total subscription of over 215,000,000 dollars. Mr. Rhodes, Acting Finance Minister, stated that the surplus would be used to meet the financial obligations of Canada for the ensuing twelve months, and would be devoted to redeeming advantageously some of the Dominion's outstanding Treasury Bills and Bonds. It is noteworthy that the Government accepted no subscriptions from Banks or from larger financial institutions which had been prepared to take up over 30,000,000 dollars of the loan.

The duplication and competition which had involved both the Canadian National and the Canadian Pacific Railways in a

difficult situation resulted in the appointment of a Royal Commission to investigate the problem of co-ordinating the two great trans-continental railway systems of Canada and to "rationalise" services to meet road competition. This Commission was opened at Ottawa on December 4 by Mr. R. J. Manion, Minister for Railways and Canals, the other members of the Commission including Lord Ashfield, Chairman of the London Underground Railways (who travelled to Canada especially for this purpose), Mr. E. W. Beatty, President of the Canadian Pacific Railway, Sir Henry Thornton, President of the Canadian National Railways, and Mr. Justice Duff of the Supreme Court of Canada. After several sessions at Ottawa, the Commissioners left for Western Canada, where they held sittings in each provincial capital, and after also visiting the Maritime Provinces, they concluded their investigations in Montreal.

In the last weeks of the year the Government took steps through its Minister in Paris to abrogate the Trade Treaty with France of 1922 in favour of a fresh convention which would be based on new principles yet beneficial to the commerce of both countries. A new Trade Treaty with New Zealand was also discussed by Mr. Stevens, Minister of Trade and Commerce, with Mr. Stewart, the New Zealand Minister of Finance and Customs, at Honolulu, where they met on Christmas Day.

CHAPTER III.

THE UNION OF SOUTH AFRICA—SOUTH-WEST PROTECTORATE —SOUTHERN RHODESIA—NORTHERN RHODESIA.

SOUTH AFRICA.

SOUTH AFRICA, unlike most other countries of the world, could look forward to 1931 with a certain degree of optimism. A year ago the Union had not experienced the full severity of the economic stringency. Even the more contentious of its political difficulties arose from questions mainly of a domestic character. Gradually, however, the country was drawn within the influence of the world slump in commodity prices, and complacent thoughts which may have arisen from a feeling of security in isolation became tinged with anxiety as the circle of depression widened.

Parliament was opened by the Governor-General, the Earl of Clarendon, on January 30, a few days after his arrival from England to assume office. The occasion was one of historic interest, since it not only marked the inauguration of Lord Clarendon's term, but witnessed for the first time the application of the new Order of Precedence.

As a result of the discussion at the last Imperial Conference His Majesty's Government in the United Kingdom had intimated

that they were prepared to recommend to the King that Dominion High Commissioners should on all ceremonial occasions (other than those when Ministers of the Crown from the respective Dominions were present), rank immediately after Secretaries of State. It was later announced that King George V. had been pleased to direct that the High Commissioners for Canada, the Commonwealth of Australia, New Zealand, the Union of South Africa, the Irish Free State and Newfoundland, should be given precedence on the occasions in question according to the above principle.

Since Union and until last year, the office of High Commissioner in South Africa had been vested in successive Governors-General, but when the Earl of Clarendon succeeded Major-General the Earl of Athlone the arrangement came to an end, and Sir Herbert Stanley was appointed High Commissioner. Sir Herbert, whose appointment was announced on November 21, 1930, sailed from England on March 20 of the following year, and arrived in Cape Town on April 6.

Much was heard in objection to the new procedure, among its critics being Lord Buxton, a former Governor-General. Public feeling, however, was more deeply stirred by another phase of the status question. This was the Statute of Westminster, which embodied the constitutional conclusions of the Imperial Conferences of 1926 and 1930 ; and because of it fears were entertained for the future of the Imperial connexion and the English language.

After General Smuts had closely questioned the Government, a resolution approving the Statute was passed by the House of Assembly, on April 22, and later adopted by the Senate, in the following terms :—

" That, on the understanding that the proposed legislation will in no way derogate from the entrenched provisions of the South Africa Act, this House, having taken cognisance of the draft clauses and recitals which it was proposed by the Imperial Conference of 1930 should be embodied in legislation to be introduced to the Parliament of Westminster, approves thereof and authorises the Government to take such steps as may be necessary with a view to enactment by the Parliament of the United Kingdom of legislation on the lines set out in the Schedule annexed."

Outside Parliament objections were based on the contention that the Government resolution inadequately protected the Imperial connexion or the ideals of loyal South Africans, and it was urged by the Cape branch of the Empire Group of South Africa that the Statute should not become an Act of Parliament until the entrenched clauses of the South Africa Act of 1909 had been included, in order to secure the rights of the English language and protect the interests of the natives.

The Statute of Westminster received the royal assent on December 11.

During the session of the Union Parliament, which lasted until June 6, the plight of the various industries of the country, particularly those manufacturing for export, was increasingly pressed on the notice of Government. Early on it narrowly escaped defeat on a motion of censure moved by General Smuts. A disturbing feature of the vote was the absence of Labour support for the Government, a clear indication, if such were needed, of the breakdown of the Pact. Elsewhere, too, the Government was embarrassed, for it could no longer rely on the presentation of a united front by its own party.

At the end of August the executive committee of the re-constituted Labour Party declared the Pact to be at an end. Colonel Creswell and Mr. Sampson, its representatives in the Cabinet, were repudiated, and although they continued to hold office they were regarded by Labour as political outlaws.

Thus was terminated a working arrangement between two parties of diametrically opposed interests, who had in 1923 declared a tactical truce whereby their combined forces were enabled to defeat the South African Party Government of General Smuts.

This did not end the difficulties of the Nationalists. Within their own ranks serious opposition was forthcoming to the Premier's announced intention of abolishing the Provincial Councils. He informed the National Party Congress, at Pretoria, in September, that he was determined to proceed with the abolition of the system, mainly because of difficulty in getting it to function "without violating that most salutary principle for the creation of a sound system of public finance." The criticism was widely resented. It was largely due to the opposition of Mr. Simon Bekker, a prominent member of the Party and its leader in the Transvaal Provincial Council, that the Government intimated in December its decision not to proceed with the abolition proposals.

On June 6 the Union celebrated its coming of age. King George V. despatched a message of congratulation to Government and people—in whose behalf the Governor-General replied—and there was an exchange of felicitous telegrams between Mr. Ramsay MacDonald, as Prime Minister of Great Britain, and General Hertzog, Prime Minister of the Union. The King's congratulations were worded as follows: "To-day we commemorate the twenty-first anniversary of the establishment of the Union. By that act of wisdom and goodwill a new and happier era opened in the history of South Africa. Twenty-one eventful years have already vindicated the faith and foresight of those who laid the foundation of a great nation. I earnestly pray that under Divine providence the people of the Union may continue to enjoy the blessings of peace and prosperity." General Hertzog sent the following cable to Mr. MacDonald: "Your very kind message to the Union on the twenty-first anniversary of its establishment

is very warmly appreciated ; the more so because it will be during the currency of its twenty-first year that the seal will be set on the development of the Union to full nationhood, a happy event to which the wise statesmanship of Great Britain has so largely contributed."

So increasingly disastrous did the effects of the industrial depression become as the year passed, that a special session of Parliament to consider further relief measures was imperative. This was called for November 18, to pass an emergency measure designed to help primary producers.

SOUTH-WEST PROTECTORATE.

It was officially announced on March 23, that Mr. A. J. Werth, Administrator of the South-West Protectorate, had been re-appointed for a further term of two years.

Unhappily the generally-prevailing industrial depression was accompanied in the Protectorate by a drought of accumulative and devastating effect. The Administrator, in the course of an interview, described 1930 as the driest year since the establishment of European civilisation. Nevertheless, he was able to report to the Legislative Assembly at Windhoek, in May, that the farming community still showed a tremendous surplus of assets over liabilities.

Mr. C. te Water, Union High Commissioner in London, Major F. F. Pienaar, and Mr. Andrews, M.L.A., attended the Geneva meetings of the Mandates Commission of the League of Nations as the representatives of South Africa. The High Commissioner reported that in addition to the drought, the general depression in the international diamond and metal markets had had also adversely affected the fortunes of the Protectorate. The Union had, however, taken ameliorative measures, including the use of the Land Bank for making limited advances to deserving farmers. It was by a policy of agricultural encouragement that the Union hoped to make the economic life of the country more secure. More money was being devoted to native education and health safeguards, and there had been a general fall in the disease and death-rates of those employed in the mines.

Notwithstanding this evidence of the solicitude of the Mandatory Power, there was an increasing tendency, not confined to any one section of the community, to criticise its administrative methods. Various alternative forms of government were openly discussed and advocated. In one influential quarter it was argued that if the Mandatory did not care to continue full responsibility the obvious duty was to petition for relief from it, thus devolving administration upon the Colonial Office, or, alternatively, upon the Government of Southern Rhodesia, or to return the Mandate to the League of Nations for re-allocation.

SOUTHERN RHODESIA.

Sir Cecil Rodwell, K.C.M.G., opened Parliament on March 23. After a session lasting about three months the House was adjourned until October 5. In July, Sir Cecil sailed from Cape Town for England. In October at a luncheon of the Fellows of the Royal Empire Society, he referred to the question of the amalgamation of the two Rhodesias, the consideration of which, he said, had been deferred (although it was hoped only temporarily) by His Majesty's Government in the United Kingdom. In his opinion it would be less difficult, when amalgamation did come, to provide material for a combined Parliament than to fill the ranks of the popular representatives in two separate Legislatures. He visualised a combined Legislature numbering not, as some appeared to contemplate, 45 members, but of not more than 36, or possibly only 30. So long as a fair proportion of seats, say one-third, was allotted to the Northern Territory, the smaller the Legislature the better, especially bearing in mind the desirability of constituting sooner or later an Upper House in the form of a Legislative Council or Senate, and the necessity of providing personnel for this also. Whatever form the legislative machine might eventually assume, the political field in Rhodesia offered attractions which could not fail to appeal to the rising generation of settlers.

Sir Cecil's reference to the postponement of amalgamation was based on a statement made in the House of Commons, on July 2, by Mr. J. H. Thomas (Secretary of State for Dominions Affairs), to the effect that His Majesty's Government had given careful consideration to the request received from the Government of Southern Rhodesia and from the elected members of the Legislative Council in Northern Rhodesia, that a conference should be held in order to consider the possibility of amalgamating Northern Rhodesia with Southern Rhodesia under a constitution similar to the present constitution of Southern Rhodesia. The Government, said Mr. Thomas, were not prepared to agree to the amalgamation at the present time. It must be remembered that it was less than eight years since the Government assumed direct responsibility for the administration of Northern Rhodesia. Very considerable progress had been made in those years, but even greater changes, affecting the whole balance of the various interests in the country, were almost certain to result from the development of the mining industry.

At present, continued Mr. Thomas, the European population was small and scattered over a wide extent of territory, while the problems of native development were in a stage which made it inevitable that the Government should hesitate to let them pass even partially out of their responsibility. On the other hand, His Majesty's Government, while considering that amalga-

mation was not practicable now or in the near future, did not wish to reject the idea of amalgamation in principle should circumstances in their opinion justify it at a later date, and fully realised the prejudicial effect upon progress in both countries if such a rejection were regarded as a permanent bar to their future evolution. Their view was that for some time to come Northern Rhodesia should continue to work out its destiny as a separate entity, observing the closest possible co-ordination with its neighbours, and especially with Southern Rhodesia. The Government felt that in order to prevent misconception, they should state at the outset that the conditions of any scheme of amalgamation, if and when it arose for actual discussion, must make a definite provision for the welfare and development of the native population.

In both Salisbury and Bulawayo, and, indeed, in all parts of the country on both sides of the Zambesi, Mr. Thomas's statement was received with disappointment. The fact, however, that amalgamation was not definitely excluded was welcomed.

NORTHERN RHODESIA.

During the year the Legislative Council considered the question of the transfer of the capital of the Territory from Livingstone to a site nearer the important mining developments of the north. In June it was announced that the Government, subject to the approval of the Colonial Office, had selected Lusaka, some eighty miles south of Broken Hill and between Livingstone and the mining area.

The Governor (Sir James Maxwell) reported to the Legislative Council that the technical advisers of the Colonial Office had estimated that an expenditure of 376,000*l.* would be required for the new site, water supply, sewerage, electric light, roads, etc. The engineers had examined two sites, and had selected one east of Lusaka in preference to one at Ngwerre Siding. Sir James added he was satisfied that the removal of administrative headquarters from Livingstone to the neighbourhood of Lusaka was in the best interests of the Territory as a whole, and that it should be undertaken as soon as the necessary arrangements could be made.

CHAPTER IV.

AUSTRALASIA.

AUSTRALIA.

THE history of the Australian Commonwealth during 1931 was markedly like that of Great Britain. Both countries were faced with an ever-increasing necessity for adjusting their balance of trade by a drastic curtailment of imports, and this was coupled

with an equally urgent need for cutting down national expenditure in the interests of a balanced Budget. In both countries, too, the year opened with a Labour Government in power, and closed, after an exciting General Election, with a National Coalition Government in office, the more extreme elements in the Labour Party forming the new Opposition.

Australian history in 1931 proved to be a logical outcome of the situation disclosed in August, 1930, when Sir Otto Niemeyer met the Federal Loan Council, and emphasised the necessity for "arresting the financial drift." Sir Otto's conclusions were accepted by the Federal and State representatives, but were rejected by the Australian Labour Party. 1931 showed that the electors of Australia, like those in Britain, had a keener sense of the necessities of the national situation than the Labour leaders. The climax came at the end of the year, when the Australian Labour Party was decisively defeated in the General Election on December 19, a National Coalition being returned with a majority of 30 over its Labour opponents. Mr. J. A. Lyons, who had been acting Treasurer in the Scullin Government, but resigned to take up the leadership of the United Australia Party, formed the following Cabinet:—

Mr. JOSEPH ALOYSIUS LYONS	Prime Minister and Treasurer.
Mr. J. G. LATHAM	Attorney-General and Minister of External Affairs and Industry.
Sir GEORGE PEARCE -	Defence Department.
Mr. JAMES EDWARD FENTON	Postmaster-General.
Mr. HARRY S. GULLETT	Trade and Customs.
Mr. R. A. PARKHILL -	Home Affairs.
Mr. C. A. S. HAWKER -	Markets and Repatriation.
Mr. C. W. C. MARR -	Ministry of Health
Mr. A. J. MCLACHLAN	Vice-President of Executive Council.
Mr. S. M. BRUCE	Assistant Treasurer.
Mr. MASSY GREENE -	Assistant Leader of Government in Senate.
Mr. JOSIAH FRANCIS -	Assistant Minister of Defence.
Mr. J. A. PERKINS	Assistant Minister of Trade.

Mr. Joseph Lyons came into Federal affairs by way of State politics in Tasmania, where he was Premier. When Mr. Theodore resigned from the Scullin Government owing to the Mungana case (ANNUAL REGISTER, 1930, p. 136), Mr. Lyons and Mr. James Fenton were practically the only members of the Labour Cabinet with administrative experience, and they naturally guided the party during Mr. Scullin's absence in England at the time of the Imperial Conference. When Mr. Scullin returned he was faced with a demand to reinstate Mr. Theodore in the Federal Treasurership. A decision to this effect was made by the Labour Caucus which met at Canberra on January 26, whereupon Mr. Lyons and Mr. Fenton resigned from the Cabinet,

On March 3 Mr. Scullin announced his reconstructed Cabinet. Mr. Theodore resumed the Treasurership, Mr. Holloway becoming Minister for Industry, Mr. Chifley, Minister for Defence, and Mr. McNeill, Minister for Health. The Federal Parliament met on the following day. Mr. Theodore at once embarked upon elaborate schemes for meeting the financial crisis which had developed owing to the rise in the exchange rates with Britain (the sterling rate rose to 130 during 1931) and the tendency towards sharp falls in wages, indicated by a judgment of the Commonwealth Arbitration Court on January 22, which reduced the general basic wage in Australia by 10 per cent. As the Court stated, "all must adapt themselves to the fundamental fall in the national income and the national wealth and to our changed trading relationship with other countries." The judgment was followed by representatives of the Australian trade unions singing the "Red Flag" and noisy cries of "Thieves," a sufficient indication that the wage reduction would not be acceptable to the Australian Labour Party. Nor was it accepted by Mr. Scullin, Mr. Theodore, and the Federal Cabinet. Addressing a conference of Federal and State Ministers at Canberra on February 9, Mr. Theodore announced that the Government had rejected the policy of reducing wages, and proposed instead to restore the value of the Australian currency to its 1929 level. Mr. Theodore explained that this would mean an increase of 30 per cent, on existing wholesale prices. "The fall in prices had benefited every one with a fixed income, while workers, farmers, and industrialists had suffered. The Government proposed to correct this."

A further complication was introduced at the conference of Federal and State Premiers, when Mr. Lang, the Labour Premier of New South Wales, submitted an even more drastic scheme, entailing the wholesale cutting of interest rates throughout the Commonwealth, and the abandonment of the gold standard, in favour of a currency "based upon the wealth which Australia can produce in the secondary and primary industries." Yet another proposal made by Mr. Lang was that "the Australian Governments shall not pay any further interest to British bondholders until Great Britain dealt with Australian overseas debt in the same manner as she settled her own foreign debts with the United States." This ultimatum to Australia's creditors was not only denounced by all the other State Premiers but by Mr. Theodore, who pointed out that it was not practicable to dishonour national obligations. Australia owed abroad 500,000,000l., of which the war debt was 82,000,000l. The most Australia could hope for was to fund the short-term debt of 38,000,000l., and thus achieve an easier borrowing market overseas. The Premiers' Conference also discussed methods for meeting the financial needs of the Commonwealth and State Governments, deciding in favour of

a three-year plan to restore Budget equilibrium. This was made public on February 14.

Twelve days later, when the Premiers' Conference broke up, Mr. Theodore announced that the Federal Government proposed to introduce legislation to empower an increase of 24,000,000*l.* in the fiduciary note issue for the relief of unemployment and the assistance of Australian wheat growers, who would receive 6,000,000*l.* The Nationalist Premiers of Queensland, Western Australia, and Tasmania denounced the plan as direct inflation, and the Victorian and South Australian Premiers were far from enthusiastic. The Fiduciary Notes Bill, however, was duly introduced in the House of Representatives at Canberra in March. Defending the measure in debate on March 20, Mr. Scullin argued that the Bill would make possible the expenditure of 1,000,000*l.* a month, and thus directly provide employment for 40,000 or 50,000 men, and indirectly to many more. Mr. Scullin added that his party repudiated Mr. Lang's plan for default in interest payment. The effect of this denunciation of Mr. Lang was to alienate six of the ministerial supporters, under the leadership of Mr. Beasley, a former Assistant Minister of Industry. During the rest of the session, the Scullin Ministry was always in danger of defeat, particularly as Mr. Lyons and Mr. Fenton were actively supporting the Opposition and actually voted for a motion of censure upon the Government, moved by Mr. Latham, Leader of the Opposition, on March 11. It was defeated by 38 votes to 33, the Lang group supporting the Government.

The Fiduciary Bill was finally rejected on second reading, by the Senate on April 17, after a three days' debate. The Senate's action caused Mr. Latham to challenge the Government to resign and submit the issue to the electors. Mr. Scullin's answer was that the Fiduciary Bill would be sent back to the Senate at the earliest date possible under the Constitution, in order that there might be a dissolution of both Houses. Mr. Scullin added that his Government was not proceeding with the Wheat Bounty Bill. The Senate, on May 15, also rejected Mr. Theodore's Bill, which would have forced the Commonwealth Bank to hand over its gold reserves to the Federal Treasurer, for the purpose of discharging Commonwealth indebtedness in London. Apparently, the Senate was actuated by a desire to force the Cabinet to face the issue of default or retrenchment. The Senate's action was approved by the Australian business world, as the effect of Mr. Theodore's Bill would have been to abolish the gold backing of Commonwealth notes.

As a further method of balancing the Federal Budget and reducing the overseas imports, Mr. Forde, Minister of Customs, introduced an amended tariff schedule on March 26. The increases included a 5 per cent, duty upon cotton piece-goods, estimated to return 250,000*l.* a year. In all, there were **144**

alterations. Further changes were proposed on **July 10**, in connexion with the Budget. At the same time the sales tax was increased to 6 per cent., and the primage duty upon imports was raised from 4 to 10 per cent., thus raising additional revenue amounting to 4,300,000l. Mr. Theodore's Budget speech revealed a deficit for the year of 10,756,000l., and an accumulated deficit of 17,000,000l., which was increased to 21,000,000l., owing to the Commonwealth Government assuming responsibility for certain interest payments due by New South Wales, which the Lang Ministry had repudiated. By increases in the income tax and super-tax and severe economy, Mr. Theodore announced that he hoped to reduce the estimated deficit for 1931-32 to 5,176,000l., an amount which would be further reduced to 1,148,000l. if the Hoover plan for the suspension of interest payments came into force, as was expected. As a further measure of economy, the salaries and wages of Commonwealth employees were reduced by 20 per cent., all invalid and old-age pensions being reduced by 2s. 6d. a week. The salary and wage reductions were estimated to save 1,800,000l., and the reduction in pensions, including war pensions, 1,825,000l.

Meanwhile the problem of balancing the State Budgets had been under discussion at a second Conference of Federal and State delegates. After thirteen days of debate and negotiation, the Premiers' Conference closed on June 11, all the members binding themselves to carry out a "one indivisible plan" which had been evolved to ensure national stability. The Federal Ministry's contribution was a promise to raise 7,500,000l. by extra taxation, a promise which was carried out in Mr. Theodore's Budget, as mentioned above. The State Premiers similarly agreed to introduce legislation which would give effect to the decisions of the Conference. The "one indivisible plan" included the following measures :—

(1) A reduction of 20 per cent, in all adjustable Government expenditure, as compared with the previous financial year, including an average cut of 20 per cent, in all salaries and wages, and an average cut of 16 per cent, in all pensions paid by the various Governments.

(2) The conversion of the internal debts of the Governments on the basis of a 22½ per cent, reduction in interest.

(3) Extra taxation.

(4) A reduction of bank and Savings Bank rates of interest on deposits and advances.

(5) Relief in respect of private mortgages.

Even these drastic measures left a gap of between 13,000,000l. and 15,000,000l., which had to be covered by borrowing. The most novel of the proposals was the resolve to appeal to all Federal and State bondholders to accept a reduction of 22½ per cent, **in** the effective rate of interest. This was to be brought about

by a conversion loan. In accordance with these resolutions a special Gazette, dated Canberra, August 6, proclaimed that the Debt Conversion Act would come into operation on August 10, and that holders of Australia's 550,000,000l. of internal debt would be asked to accept 4 per cent, interest, the annual saving to the Commonwealth being 6,500,000l. This brave conversion operation was brilliantly successful. With the exception of 16,650,000l. of stock, the whole internal debt of Australia was voluntarily converted to the lower rate of interest, affording a splendid example of generous and public-spirited service in a time of crisis to the bondholders, not only of Australia, but of the Empire. In all, holders of 510,300,000l. accepted voluntary conversion.

Meanwhile the political troubles of Mr. Scullin had been accumulating, largely owing to the unpopularity of his able and energetic second-in-command, Mr. Theodore. Throughout the first part of the year, the Commonwealth Treasurer was under the cloud of the allegations arising from the Mungana mining transactions. When the Queensland Government decided that no criminal prosecution would lie against Mr. Theodore and his associates, civil proceedings were instituted. These were heard at Brisbane on July 21, before the Chief Justice, Sir James Blair and a jury of four. In the result twenty-five questions were submitted to the jury. In each instance, the reply was in favour of Mr. Theodore and his co-defendants. The jury found that there had been no conspiracy between the defendants and that neither corruption nor fraud had occurred. Judgment was accordingly entered for the defendants, with costs against the Crown. Mr. Theodore afterwards described the verdict as a complete vindication, " following the campaign of calumny which had been carried on against him by his Nationalist " political opponents. Though he escaped from the Mungana trouble Mr. Theodore's political popularity suffered owing to the doubts expressed by bankers and business men regarding his financial proposals for the rehabilitation of Australian credit. In particular, Sir Robert Gibson, chairman of the Commonwealth Bank Board, addressed a very definite warning to Mr. Theodore on April 2, which the Federal Treasurer read to the House of Representatives at Canberra on April 18. Mr. Theodore went on to express his resentment at Sir Robert Gibson's statement that it had become **the** unpleasant duty of the Commonwealth Bank Board to advise the Loan Council that " a point is being reached beyond which it would be impossible for the Bank to provide further financial assistance for the Australian Governments." Mr. Theodore's reply was that his Government was responsible to the electorate **and not** to the banks.

Largely **because** of the growing hostility to Mr. Theodore's financial proposals, Mr. Lyons and Mr. Fenton joined Mr. Latham

and Sir George Pearce, the Nationalist leaders, in forming a united opposition, which soon developed into the United Australia Party, with Mr. Lyons as leader and Mr. Latham as deputy leader, following a policy outlined by Mr. Lyons on March 28. The United Australia Party was formally inaugurated at Canberra on May 7. Mr. Scullin endeavoured to meet the growing opposition to his administration by suggesting a conference of all political parties to consider the national situation, but the proposal was rejected by Mr. Lyons and Dr. Page, the Country Party leader, on May 21. The actual defeat of Mr. Scullin's administration, however, came about through the action of the more extreme Labour members, led by Mr. John Beasley, who sat for a West Sydney seat and was a supporter of Mr. Lang's policy. When the Scullin Ministry was reconstituted after the withdrawal of Mr. Lyons and Mr. Fenton, Mr. Beasley was among the ex-ministers who were defeated when the Labour Caucus selected the new members for inclusion in the Scullin administration. Thenceforward Mr. Beasley was a bitter critic of Mr. Theodore. As he controlled 5 votes, Mr. Beasley's attitude quickly became a danger. His chance came on November 12, when Senator Dunn charged Mr. Theodore with taking advantage of a grant of 5,000l. for unemployment relief work at the Cockatoo Island dockyard to secure employment for a number of his Labour supporters. Later, in November, Mr. Beasley moved the adjournment of the House of Representatives, in order to demand the appointment of a Royal Commission to investigate the charges against Mr. Theodore. The United Australia leaders voted for Mr. Beasley's motion, which was carried by 37 votes to 31. Mr. Scullin at once handed his resignation to Sir Isaac Isaacs, the Governor-General, and was granted a dissolution of the House of Representatives and of that half of the Senate which was due for re-election by June 1931. Parliament was prorogued on November 26, the General Election being fixed for December 19.

Mr. Scullin opened the Labour campaign on December 1, with a policy speech to his constituents in the Yarra division of Melbourne. This was broadcast throughout Australia. An important passage described the attitude of the Australian Labour Party towards the policy of inter-imperial co-operation. Mr. Scullin stated that his Government was prepared not only to co-operate with Great Britain on an interchange of preference and mutual arrangements for markets, but also to co-operate in seeking a sounder monetary system. An extension of preference would help Australia by obtaining for her products a larger share in the British market. Of more immediate effect upon the General Election were Mr. Scullin's proposals for the conversion of the Commonwealth Bank into a trading institution, operating freely in competition with the private banks. Mr. Lyons, in

his policy speech in the Town Hall, Sydney, on the following evening, strongly dissented from Mr. Scullin's banking policy, and made the soundness of the banking system of Australia an important plank in the platform of the United Australia Party. Mr. Lyons also spoke strongly upon "the ugly serpent of Communism," and the steps his party would take to save Australia from "the most damnable doctrines" of Moscow. Dr. Earle Page, leader of the Federal Country Party, outlined his policy in a broadcast address from Sydney, emphasising the necessity for leading the Australian nation back to rural development. Wool, wheat, butter, meat, sugar, and fruit were still the strength of Australia. He defined the Country Party policy as "producing more at less cost." Lastly, Mr. Beasley, leader of the Lang section of the Labour Party, speaking in Sydney on December 3, advocated legislation for nationalising banking in a single bank operating throughout Australia, the shortening of the working week and national insurance for unemployment. Mr. Beasley added, "At the Imperial Conference, Australia must have men who would fight for Australian primacy and secondary industries."

Two hundred and twenty-nine candidates were nominated for the General Election held on December 19, compared with 160 at the previous General Election, the increase being partly due to the sharp division of opinion between the Lang and Theodore sections in New South Wales where they contested 31 seats. In the result the United Australia Party gained 12 seats, while Dr. Earle Page's Country Party gained 4, giving the Nationalist Coalition a total of 53 seats, compared with the 22 representatives of the Labour Party. Of these, 13 seats were held by the Scullin group and 9 by the Beasley group. Mr. Theodore was among the defeated Labour members. Mr. Bruce, the ex-Nationalist Prime Minister for Australia, though absent in England at the time, was elected for Flinders by a majority approaching 20,000. Mr. Riley, president of the Melbourne Trades Hall, described the result as "one of the greatest landslides in Labour's history." Without consulting his supporters, Mr. Scullin telephoned his resignation to the Governor-General at Canberra, and Sir Isaac Isaacs sent for Mr. Lyons.

Apart from distrust of Mr. Theodore's financial policy, and the bankruptcy of the Labour Government in ideas for meeting unemployment, the most definite reason for the electoral triumph of the United Australia Party was the country's fear of "Langism." This showed itself in an active form in the political and economic history of New South Wales during 1931. When Mr. Lang presented the State Budget to the Legislative Assembly, he revealed a deficit of no less than 8,300,000l. In a desperate effort to retrieve the situation, Mr. Lang actually introduced a Public Service Salaries Reduction Bill, limiting the

salaries of public servants, including Ministers and Judges, to a maximum of 500l. a year! The Bill was drastically amended by the Legislative Council, which, on August 4, substituted a sliding scale of cuts ranging from 10 per cent, on the smaller salaries, to 32½ per cent, on any salary exceeding 1,500l. Mr. Lang's financial policy also failed to meet the interest payments due upon the Government debt in London on April 1, thereby forcing the Federal authorities to assume the State obligation. Moreover, a run upon the New South Wales State Savings Bank ensued, which "closed its doors," and only re-opened after December 1, when an agreement was signed for amalgamating the State Bank with the Commonwealth Savings Bank.

Under these circumstances it was not surprising that Mr. Lang came to loggerheads with his Legislative Council, the State Upper House, which rejected several Government measures, including the Greater Sydney Bill. Earlier in the year (March 16), Mr. Lang had asked the High Court of Australia to dissent from a ruling of the Supreme Court of New South Wales, which had ruled that the Council could not be abolished unless this action was approved by a referendum of the electorate. Mr. Lang then approached Sir Philip Game, the State Governor, with a view to a sufficient number of Labour members being added to the Legislative Council to ensure the Council voting its own dissolution. On November 20 Sir Philip appointed twenty-five Labour nominees to the Council, most of them being officials of Trade Unions. This unexpected compliance with Mr. Lang's demands gave the Labour Party a majority of seven in the Council, but sixteen of the Councillors, although Labour, were opposed to "Langism," and the Council is still in being.

A further consequence of the active distrust of Mr. Lang's policy was a movement by rural interests for the secession of important producing districts from the State of New South Wales, a movement in which the Country Party leaders took a prominent part. Addressing a rural convention in Sydney on March 1, Dr. Earle Page defined the boundaries of a proposed new northern State as extending to the Hunter River on the south and the Darling River on the west. A draft constitution was adopted on April 7. A similar movement proposed the secession of the Riverina district from New South Wales. Distrust of the Labour Party in Federal politics caused similar secessionist movements in South Australia and Western Australia. In the western State, the movement went so far that a Secession Referendum Bill was passed both by the State Assembly and Legislative Council in December, but lapsed when the Assembly refused to agree to an amendment by the Council that the referendum should be taken within six months. Doubtless, the Bill was rather a "gesture" than an indication of a determination for immediate action towards secession, but

it was indicative of widespread distrust of the Federal system as it operates at present.

The Federal Labour Party's policy of granting preferential terms to trade unionists led to friction between Mr. Scullin's Government and the Senate. On March 20 the Senate, by 20 votes to 7, disallowed the Government's regulations under the Transport Workers' Act, restoring preference to members of the Waterside Workers' Federation. Sir Isaac Isaacs, however, refused the Senate's petition, and his reasons for doing so were read to the Senate on June 10. The Governor-General indicated that he considered he was bound to act upon the advice of his Ministers in such a matter. One of the first actions of the Lyons Cabinet was to repeal the preference granted to the trade union members in connexion with waterside work. Australia's approval of the Statute of Westminster was registered by the House of Representatives at Canberra on July 28. Lastly, a reciprocal Trade Treaty between Canada and Australia was negotiated in July by Mr. Parker Moloney, then Minister for Markets. A Bill giving effect to the resolution passed by the House of Representatives on July 15 will be necessary, after similar legislation has been accepted by the Canadian Parliament. The treaty will then come into operation by proclamation.

NEW ZEALAND.

Like the Mother Country and Australia, New Zealand met the world economic crisis by forming a National Government, which was later established in office by the electorate. Whereas the formation of a National Government in Australia followed the General Election, in New Zealand it preceded it. Otherwise, the course of events in the two countries during 1931 was very similar. In both cases the crisis was precipitated by a big fall in commodity prices, particularly wool, the fall necessitating stern economies in the national Budget and a rigid curtailment of imports. Unemployment in New Zealand, however, was never as serious as it was in Britain and Australia during 1931, and the problems of the Dominion were not complicated by a very high exchange. A forecast of the troubles with which New Zealand was faced was made by Mr. G. W. Forbes, the Prime Minister, on February 13, when he reviewed the public accounts for the nine months ended December 31. These showed a comparative decline in revenue of 1,470,000l., compared with the same period in the previous year. When increasing expenses were taken into account, Mr. Forbes anticipated a budgetary shortage for the financial year of no less than 4,500,000X. As the shortage was due to a shrinkage in practically all revenue resources, it was evident that the restoration of budgetary equilib-

rium was dependent upon the wide problem of restoring economic equilibrium. Public service salaries and wages would, therefore, be reduced by 10 per cent. This promised a saving of 1,500,000l., other savings and extra taxation providing for the rest of the 4,500,000l.

When the New Zealand Parliament met on March 12, the situation had not improved. Unemployment was increasing, and by the end of March reached the high figure of 33,000, necessitating a scheme for rationing work, which would provide means of sustenance for those who could not find employment. Moreover, the trade unions were organising opposition to the proposed wage cuts. At the time of the opening of Parliament, thousands of workers marched to Parliament House, carrying banners inscribed, "No Wage Reductions." Mr. Forbes received a deputation of demonstrators and pointed out that the income of the Dominion had fallen by 20,000,000l., and that the adjustments proposed by the Government were essential. As Mr. Coates, on behalf of the Reform Party, promised his support, the Labour Party amendments were defeated, and the Address in reply to the Speech from the Throne was adopted. Obstruction, organised by the Labour Party to the Government's Finance Bill, added to the difficulties before Mr. Forbes and his minority Government, but, on March 31, a closure motion was carried by 48 votes to 21, after a stormy sitting and the Bill received the royal assent on April 11. Before the session ended on April 28, it was plain that Mr. Forbes sorely needed the active help of Mr. Coates, the ex-Prime Minister, and his associates in the Reform Party, and, when Parliament rose for the recess, Mr. Forbes suggested the formation of a new National Party. The Government was willing to retire in order to give the leader of the new party a free hand to deal with the measures necessary for the best interests of New Zealand in the existing crisis. Mr. Forbes added that he was convinced that a minority Government could not meet the present urgent needs. Mr. Coates considered the suggestion for several days, but, on May 5, declined Mr. Forbes's proposal. Instead, he promised that his supporters would do nothing to block the necessary legislation, and suggested that a small committee of the Reform Party should confer with the Cabinet before it was introduced. Mr. Coates's view was that the alliance which had existed for two sessions between Mr. Forbes's United Party and the Labour Party had ended, not because the United Party had been converted to the policy of the Reform Party, but because Labour was dissatisfied with Mr. Forbes's policy. However, when the New Zealand Parliament met again on June 25, circumstances were too strong for Mr. Coates. On September 18 Mr. Forbes informed the House of Representatives that a Coalition Government of ten Ministers had been formed, drawn equally from the Reform and the United Parties. The Forbes-Coates

Government was sworn in on September 22, and was constituted as follows :—

Rt. Hon. G. W. FORBES (United Party)	- Prime Minister, Minister of External Affairs and Railways.
Rt. Hon. J. G. COATES (Reform)	- Leader of the House of Representatives, and Minister of Public Works.
Hon. E. A. RANSOM - (United)	- Minister of Lands.
Hon. W. DOWNIE STEWART - (Reform)	- Minister of Finance and Attorney-General.
Hon. Sir APIRANA NGATA - (United)	- Minister for Native Affairs.
Hon. J. A. YOUNG (Reform)	- Minister of Health and Immigration.
Hon. ROBERT MASTERS (United)	- Minister of Education and Commerce.
Hon. DAVID JONES (Reform)	- Minister of Agriculture.
Hon. J. G. COBBE (United).	- Minister of Defence.
Hon. ADAM HAMILTON (Reform)	- Postmaster-General and Minister of Labour.

The Coalition Cabinet thus numbered ten, as against fourteen in the preceding Cabinet. It was a direct consequence of an All-Party Committee of ten, appointed on August 21, to investigate New Zealand's financial condition, the All-Party Committee reaching the conclusion that a Cabinet of the United and Reform Parties was essential if the Dominion was to find economic stability. The Labour Party, though represented in the All-Party Committee, had declined to support the new Coalition, and its motion of no confidence in the new Government was defeated in the House of Representatives by 46 votes to 23, after a three days' debate.

By this time it was plain that a General Election was inevitable, and the Parliamentary Session was brought to an end on November 11, the election being fixed for December 1. In all, 189 candidates contested the 76 European seats, compared with 212 candidates in 1928, measures being taken to prevent the splitting of the anti-Labour vote in as many constituencies as possible. Both Mr. Forbes and Mr. Coates issued election addresses, emphasising the imperative need for a policy of sound finance. Mr. Holland, Leader of the Labour Opposition, opened his campaign by addressing a large meeting at Wellington on November 4. His chief proposal was to borrow 25,000,000l., to be spent upon productive work during the coming three years, and thus solve the unemployment problem, and also give wages and salaries their former purchasing power. Other Labour proposals were a State-controlled central bank, to enable the State to take a more effective part in controlling currency and credit; an additional super-tax on higher incomes ; a super-tax on dutiable

goods which could be manufactured in New Zealand; a provisional moratorium to prevent foreclosures; and a 20 per cent, reduction in mortgage charges.

The General Election on December 2 resulted in a Government victory, 52 members being returned, of whom 29 belonged to the Reform Party and 21 to the United Party, there being two Independents. The Labour Party returned with 24 seats, and could rely upon the support of three or four other members, giving the Opposition about 28 seats. In the previous Parliament there had been 51 members of the United and the Reform Parties, 20 Labour members and 9 Independents. All the Ministers were re-elected except Mr. D. Jones, who was defeated by a narrow majority by Mr. J. Connolly, a popular farmer. Mr. Holland, referring to the gain in the voting strength of Labour, predicted that his party would be in power before the end of three years. Mr. Forbes, however, professed full contentment with the result, describing it as proof that "New Zealand was sound to the core."

The financial and economic troubles with which New Zealand was faced during 1931 were increased by a disastrous earthquake in the North Island, in the Hawke's Bay area, on February 3. The towns of Napier and Hastings were practically destroyed, the casualties in Napier numbering 145 killed and 950 injured. The total killed were about 211. The two towns had a population of about 35,000. Apart from falling buildings, much destruction was wrought by fires, which broke out on an extensive scale. As the water supply was also stopped, nothing could be done to check the flames. The centre of the upheaval was beneath the Pacific Ocean, not far from the two towns, and the main shock took place at 10.43 on the morning of Tuesday, February 3. It lasted two minutes. At the time there was a fairly large congregation at St. John's Cathedral, Napier, where a Communion service was being conducted by Dean Brocklehurst. The brick church crumbled to the ground, and many people were buried in the debris, the Dean being seriously injured. At Hastings the business area was laid in ruins, all the brick buildings being shaken and many of them falling. The towns of Wairoa, Waipawa, and Waipukurau also suffered, the earthquake being felt as far south as Invercargill. The warships *Diomedé* and *Dunedin* were hastily rushed from Auckland to Napier with doctors, nurses, and medical stores, and the blue-jackets did excellent work in the stricken districts. H.M. sloop *Veronica*, which was in Napier Harbour, also rendered fine service. The disaster was far more serious than any other earthquake recorded in the islands, though New Zealand lies on an unstable belt of the earth, and there was a bad earthquake as recently as 1929 in the Murchison area, in the South Island. Lord Bledisloe's official report upon the earthquake was dated

February 3, and was published in London on April 15. The Governor-General visited Napier and Hastings soon after the disaster, and did what was possible for the 10,000 refugees, many of whom were still living in open-air camps under canvas. The Governor-General's impression was that "when one views the great masses of debris which once were hospitals, nurses' homes, schools, hotels, public buildings and business establishments, the marvel is that the toll of life and limb was not far greater." Mr. L. A. Paish, the British Trade Commissioner, later paid tribute to the dauntless courage with which the task of reconstruction was undertaken.

Instead of opening its parliamentary session at the end of June, a special session was called for March 11, to deal with the economic crisis and to pass the legislation needed in connexion with the Hawke's Bay earthquake. The Earthquake Bill was introduced on March 27 and included the appointment of a special Adjustment Court; the provision of 1,250,000*l.* from the New Zealand Reserve Fund in London to assist individuals; and a special tax of *Is.* 6*d.* per cent, on property insurance or insurable property to reaccumulate the London Reserve Fund. The Bill was passed on April 27, the insurance tax proposal being withdrawn in order that the earthquake expenses might be embodied in the general taxation measures of the Government. The Minister of Public Works estimated the earthquake losses as follows: Government, 580,000*l.*; municipalities, 500,000*l.*; private persons and business houses, 2,200,000*l.* The funds available for meeting distress and assisting reconstruction were 2,226,000*l.* when the Earthquake Bill received the royal assent.

Other measures considered by Parliament during the emergency session and the ordinary session which followed in July were a Bill to afford relief to mortgagors, by enabling them to secure the suspension of mortgages on specified terms for two years, and an Immigration Restriction Bill, which empowered the Government to prohibit or restrict the entry of persons of any race, nationality, class, or occupation. The second Bill was drafted on lines similar to the Canadian Immigration Law. On April 13 a Bill was also introduced placing the New Zealand railways under a Board of three, none of whom could be members of Parliament, railway servants, or concerned with rival transport organisations. The draft of the Statute of Westminster was approved by the House of Representatives after a debate on July 21. Mr. Forbes's speech was far from enthusiastic in its support of the measure, and he stated that the recent Imperial Conference had been more concerned to consolidate the unity of the British Commonwealth than to lay down any principles of status or freedom for the Dominions. The Statute, however, was a logical development of the decisions made, by the 1526

Conference and no good purpose would be served by altering the position. The Governor-General, in his speech opening Parliament on June 25, announced that New Zealand had also notified her adherence to the General Act for the Pacific Settlement of International Disputes.

Mr. Forbes made his Budget speech to the House of Representatives on July 30. He stated that the revenue for the year was 23,068,931l., being 2,051,069l. less than the estimate. Against this, there was an expenditure of 24,708,042l. and the deficit was met from a balance accumulated by surpluses in previous years. The public debt on March 31, 1931, stood at 276,033,358l. Though exports declined 9,500,000l. and imports were 10,900,000l. less than in the previous financial year, there was a favourable trade balance of 1,200,000l. Mr. Forbes stated, however, that sources of public revenue had been materially affected by the existing crisis, and there was a shrinkage in receipts of 4,810,000l., almost half of which was due to Customs, while expenditure, chiefly due to unemployment subsidies, would be increased by 2,040,000l. The shortage of 6,850,000l. would be met by the reductions in wages and salaries already mentioned; benefit from war debt suspension, which would bring in 870,000l.; and by voting 1,140,000l. from reserves. 1,800,000l., therefore, had to be met by additional income tax, and by lowering the general exemption from 300l. to 260l. Mr. Forbes estimated the revenue for the current year at 24,946,000l. and the expenditure at 24,763,781l.

During 1931 the Governments of New Zealand and Canada were at cross-purposes regarding a reciprocal tariff. Indeed agreement was not reached until the very end of the year, after a meeting at Honolulu in December between Mr. Downie Stewart and Mr. Stevens, the Canadian Minister of Trade and Commerce. In June the disagreement between the two Dominions was so marked that an Order in Council was gazetted at Wellington depriving practically all Canadian exports to New Zealand of the advantage of the British preferential tariff rates. They were placed upon the general tariff list as from June 1. New Zealand's action was due to the heavy tariff rate upon butter which Canada imposed in 1930, the Canadian import duty being increased from 1 to 8 cents per pound. Mr. Forbes notified the Canadian Government that New Zealand was still willing to negotiate, but said that Canada could not expect the sister Dominion to continue to trade with her " while the door of mutual trade was slammed in our face." Motor-cars, tyres, and newsprint were among the Canadian commodities which suffered from the tension between the Dominions. The final agreement reached between Mr. Downie Stewart and Mr. Stevens was on the lines of the Canadian-Australian Trade Treaty. On December 10 New Zealand also concluded a Commercial Treaty with Belgium, this being the

first treaty between New Zealand and any foreign country, in accordance with the powers conferred by the Imperial Conference in 1926. Under the treaty Belgium will admit New Zealand butter, subject to an *ad valorem* duty of 7 per cent., and frozen lamb, subject to an 11 per cent. duty, while the duty on New Zealand fresh fruit was reduced from 3s. to 1s. per case. In exchange, New Zealand granted Belgium concessions on cotton and linen piece-goods, matches, motor vehicles, bicycles, glass, fire-arms, and electrical appliances. An interesting debate upon inter-imperial trade and the recent and coming Imperial Conferences took place in the House of Representatives on July 21-23.

On September 10 the newly-appointed Railway Board recommended Parliament to stop all work on the construction of six railway lines, considering that the 6,000,000l. of expenditure involved could not be justified by the probable revenue. The South Island trunk line between Wharanui and Parnassus was estimated to cost 2,240,000l., but the Board considered that it was not likely to supersede the Wellington-Lyttelton ferry. The Napier-Gisborne railway, estimated to cost 4,927,000l., was likely to lose 195,000l. annually, while the existing motor transport adequately served the sparsely populated districts concerned. The competition of motor transport with the Government-owned railways, in which 66,000,000l. of public money has been invested, has been a difficult problem for some years. On July 7 Mr. W. B. Taverner, Minister of Transport, introduced a Transport Licensing Bill, modelled on the British Road Traffic Act of 1930, with a view to curtailing the privileges of motor transport, in competition with the railways. Speaking on April 14, Mr. Forbes estimated the present railway losses at between 1,500,000l. and 2,000,000l. a year.

The compulsory training of military recruits, which had been suspended during 1930 on grounds of economy, was superseded in 1931 by a new defence force, organised on a voluntary basis. In announcing the scheme on May 19, Mr. Cobbe, Minister of Defence, said that it was proposed to maintain a small highly-trained permanent force for peace administration and the instruction of territorial troops and cadets. During the year the New Zealand Air Force was also reorganised on territorial lines. Four squadrons, under Wing-Commander K. Caldwell, were formed, two being trained for Army co-operation work and two for bombing.

CHAPTER V.

INDIA.

NOT only did India suffer a full measure of the financial and economic ills which afflicted the world in 1931, but she also had to face internal unrest in many forms. Though the Pact Mr. Gandhi made with Lord Irwin early in March brought a cessation of the civil disobedience movement (*q.v.* ANNUAL REGISTER for 1930) and cleared the way for him to represent the National Congress at the second session of the Round Table Conference in London, the year closed with the threat of widespread renewal of civil disobedience and the certainty of resolute measures by Lord Willingdon's Government to prevent the paralysis of administration at which it aimed.

The first session of the Round Table Conference closed on January 19 with the Prime Minister's announcement of acceptance by H.M. Government of the federal plan and of the policy of placing responsibility for the government of India upon the legislatures, central and provincial, with safeguards during a period of transition and with such guarantees as were required by minorities to protect their political liberties and rights. A week later Lord Irwin's Government released from prison Mr. Gandhi and his colleagues of the Central Working Committee, in order to allow complete liberty of discussion on the Round Table proposals. After the Congress leaders had discussed matters with a number of prominent conference delegates at Allahabad, Mr. Gandhi on their behalf asked the Viceroy for a personal discussion, and this was granted. The civilised world eagerly awaited news of the results of the protracted conversations at the Viceroy's house at Delhi between the representative of the King-Emperor and the *khaddar-clad* ascetic.

Under the terms of the "Delhi Pact," published on March 5, the civil disobedience movement was to be effectively discontinued, while Government was to withdraw the Ordinances with which it had been fought. The boycott of British goods "as a political weapon" was to cease, and picketing was to be allowed only within the limits of the ordinary law. Further, the Pact recognised the work of the Round Table Conference and the need for Indian responsibility to be accompanied by reservations or safeguards in the interests of India. Political prisoners, of whom there were many thousands throughout the country, were released, except those convicted of violence or incitement thereto.

On March 9 the Legislative Assembly, by a unanimous vote, recorded its profound satisfaction that the settlement had been reached. The agreement was confirmed on March 30 at the plenary session of the Congress at Karachi without a dissentient vote,

notwithstanding the outcry which had been raised because Government had not accepted frantic pleas for commutation of the death sentences passed on Bhagat Singh and two companions who had long eluded arrest, for the murder of two police officials at Lahore in December, 1928.

The refusal of Moslem traders and others at Cawnpore to observe *hartals* (cessation of business for purposes of mourning) in honour of the condemned men culminated on March 24 in a great Hindu-Moslem outbreak. A riot of peculiar atrocity spread with unexpected rapidity: murder, arson, and looting were rife for three days; the total of verified deaths was 300, but it is known that large numbers of other citizens were killed. A Commission of Inquiry, which reported in June (Cmd. 3891), criticised the British District Magistrate for lack of initiative, and found that in specified cases subordinate officers of police were guilty of lack of initiative, and constables of apathy or positive dereliction of duty. The conclusion of the Governor-in-Council that there was no indication of an impaired police morale in the United Provinces was applicable to British India as a whole, where the police had emerged with great credit from the exhausting strain of twelve months of civil disobedience.

Communal conflict also developed in the State of Kashmir, where the Moslems form four-fifths of the population under a Hindu ruler. Hindu-Moslem rioting broke out at Srinagar, the summer capital, on July 13. Conflict was renewed late in September, and many Moslems in British India, especially in the Punjab, were excited by reports that the agitation had been repressed with excessive violence. From early in October *jathas*, or bands of Moslem demonstrators, sought to enter Kashmir. At the end of October the Maharaja appealed for British military assistance against the invaders. There was much excitement, but the occupation of Jammu by British troops, the arrest of *jathas* on arriving at the frontier, the Maharaja's progressive outlook and his appointment of a Commission to inquire into Moslem grievances, under the chairmanship of a British political officer, Mr. B. J. Glancy, relieved the situation.

Lord and Lady Willingdon landed in Bombay, made familiar to them by his war-time Governorship, on April 17, and on the following day Lord Willingdon was sworn in as Viceroy in succession to Lord Irwin. Though the cloud of avowed civil disobedience had passed, he was confronted by many serious challenges to public tranquillity. In Burma what was thought at the end of 1930 to be a relatively unimportant rebellion in the Tharrawaddy district proved intractable for many months, and assumed such widespread dimensions as to suspend the ordinary administrative machine in at least two districts—Tharrawaddy and Insein. The first leader of the rebellion, Saya San, proclaimed himself king and issued a proclamation declaring war upon

the British. His appeal was mainly to the credulity, ignorance, and superstition of the peasantry, with its widespread belief in the efficacy of charms and tattooing as conferring invulnerability from Government forces.

The rebellion reached such a pitch by the end of May that reinforcements had to be sent from India. Skirmishing, varied by attacks on Indians, Chinese, and loyal Burmans—often marked by gross atrocities—continued till near the close of the year, by which time the Government's offer of an amnesty, the loyalty of many of the Buddhist priests, the failure of the insurgents to score any successes, and the growing unpopularity of the bandit leaders among the peasants, had taken the heart out of the movement. Saya San was captured in November and executed, and other chiefs were killed. Though political in origin, the unrest was stimulated by the low price of rice, Burma's staple crop. Nor was it wholly unconnected with the growth of communal feeling, mainly on economic grounds, against Indian settlers—a sentiment which found some oblique expression in the Committee discussions of the Burma Round Table Conference held at St. James's Palace, London, in December, under the chairmanship of Lord Peel.

The endemic revolutionary movement in Bengal became more menacing, the number of terrorist offences mounting up rapidly in comparison with immediately preceding years. While some other parts of India were not wholly free from the cult of political assassination (a notable instance being the attempt of a young student on July 22 to shoot Sir Ernest Hotson, acting Governor of Bombay, while visiting the Ferguson College at Poona), Bengal was the plague spot. Three British members of the Indian Civil Service were shot dead—Mr. J. Peddie, District Magistrate of Midnapore, on April 7; Mr. R. R. Garlick, District Judge of Alipore, as he sat in court on July 27; and Mr. C. G. B. Stevens, District Magistrate of Tippera, in his bungalow on December 14, his assailants being two Bengali girl students. Attempts were made on the lives of two other civilians, Mr. A. Cassells (August 21) and Mr. L. A. Durno (October 28), the Commissioner and the District Magistrate, respectively, of Dacca. On October 29 a merchant, Sir. E. Villiers, President of the European Association, had a narrow escape from an assailant who entered his office and fired on him three revolver shots. Two Indian police inspectors were murdered.

There were criticisms of the alleged inertness of the Bengal Government, and at a public meeting of protest in Calcutta on July 29, Mr. A. H. Ghuznavi, a leading Moslem, demanded that Britain should either govern or go. An Ordinance issued by the Viceroy at the end of November gave the Bengal Government exceptional powers for suppression of the revolutionary movement and for more speedy trial of those implicated therein. Sections

of the Ordinance empowering the use of military aid were applicable in the first instance only to the Chittagong area (where since the raid on the armoury in April, 1930, absconders had remained concealed, forming a perpetual menace to the district), but provision was made for the extension of these provisions if necessary to other parts of the presidency.

The difficulties both of the central and provincial administrations were much aggravated by bad trade and the low price of agricultural products, and their effects upon public finance. Happily there was not the aggravation of such widespread industrial disputes as in recent years. A policy of amelioration of labour conditions was recommended by the Royal Commission on Labour in India under the chairmanship of Mr. J. H. Whitley, late Speaker of the House of Commons, in a Report published on July 2 (Cmd. 3883). The Budget estimates, introduced to the Legislature at Delhi at the end of February by Sir George Schuster, showed a very heavy deficit, and extra revenue had to be provided by additional taxation equivalent to 11,000,000l., notwithstanding a policy of strict retrenchment and substantial reduction in military expenditure. The general import tariff was raised from 15 to 20 per cent., and there were large increases on the duties on alcoholic liquors and so-called luxuries. Provision was also made for a substantial increase of taxes on income. The Finance Bill was not passed by the Legislative Assembly, and after receiving the approval of the Council of State was certified by the Governor-General.

Even these large measures proved inadequate. A supplementary Budget submitted by Sir George Schuster to the Legislature at Simla, on September 29, was designed to establish equilibrium over the two years 1931-32 and 1932-33 taken together. A temporary surcharge of 25 per cent, was added to all existing taxes, with the exception of export duties. Import duties on several commodities were raised, and new taxation included a duty of 10 per cent, on machinery and dies and half an anna a pound on raw cotton. Provision was made to lower the income tax exemption limit and to effect salary reductions of 10 per cent, in the public service, but without application to lower grades earning Rs. 40 (31.) per month or less. Parliamentary legislation was necessary for the curtailment of salaries of officers under the protection of the Secretary of State for India, and the Indian Pay (Temporary Abatements) Bill was duly passed in December. Many drastic economies were suggested by a committee of the Legislature, and a large proportion of them was adopted by Government.

On the abandonment of the gold standard by Great Britain, the Viceroy issued an Ordinance providing for similar action in India, but without establishing any relation between the value of sterling and the rupee, Immediately afterwards came news

of the announcement by the Secretary of State **for India** (Sir Samuel Hoare) to the Round Table Conference (September 21) that the rupee would be linked with sterling. There was much resentment among Indian business men, more on constitutional than on financial grounds. The Assembly passed a vote of censure on the Government's financial policy. The Report of the Indian Central Banking Inquiry Committee under the chairmanship of Sir Bhupendra Nath Mitra (now High Commissioner for India) was published on September 16.

The Congress Working Committee had shown disinclination to be represented at the Round Table Conference, but meeting in Bombay, early in June, it authorised Mr. Gandhi to proceed to London as its sole representative, "other conditions being favourable" even if no communal settlement was achieved. Alleging Government breaches of the Delhi Pact, the Congress leaders vainly sought to make his participation in the Conference conditional on the appointment of a "neutral" tribunal to investigate these incidents. The allegations were shown in a statement published on August 24 to be insubstantial. The demand for an independent inquiry into the assessment of the Bardoli taluka was refused, but Government intimated a willingness to hold a departmental investigation in the ordinary course. Mr. Gandhi came to the Conference in London, but failed to make any constructive contribution to the work of evolving a constitutional plan, and his claim that the Congress spoke for the overwhelming weight of Indian opinion was repudiated by representatives of many interests, constituting together a majority of the Indian body politic.

Meanwhile his coadjutors in India were utilising the Pact as a means of preparation for further conflict, and manoeuvring for the Congress a privileged position not enjoyed by any other organisation. They exploited the distress caused by the fall of agricultural prices to promote movements against the payment of rents and land revenue, particularly in the United Provinces, where the *zamindari* (landlord) system is prevalent. The local Government under Sir Malcolm Hailey made large reductions of revenue with consequent lowering of rents. But under the instigation of urban Congress leaders the spirit of lawlessness and resistance to authority continued to grow. It became impossible for Government to allow the position in rural areas to drift out of control. On December 14 the Viceroy promulgated an Ordinance to provide against instigation to the illegal refusal of the payment of agricultural rents and to confer special powers on the Government of the United Provinces and its officers for the purpose of maintaining law and order. The communistic Pandit Jawaharlal Nehru, perhaps Mr. Gandhi's most influential associate, was arrested for defiance of the Ordinance, together with other prominent Congress men. They were sentenced to varying periods of imprisonment.

An organisation closely allied with Congress, the "Red Shirt" Army under Abdul Ghaffar Khan, was a source of much anxiety in the North-West Frontier Province, where the Chief Commissioner, Sir Steuart Pears, was killed on September 9 by falling down a *khud* (mountain side) in the gathering twilight, and was succeeded by Colonel Sir Ralph Griffiths. With a mixture of religious frenzy and anti-British resentment Abdul Ghaffar Khan, after release from prison under the Delhi Pact, resumed his efforts to stir up unrest both in the settled districts and the tribal area. He claimed complete independence for the province, and disdained the announcement of the Prime Minister to the Round Table Conference on December 1 that the necessary steps were to be taken as soon as possible to apply to the province, the full status of the dyarchical provinces in the rest of India. The Red Shirts sought to terrorise the people into acceptance of their plans. There was issued to the organisation an "Infantry Training Manual," and arrangements were made for two large training camps. A no-rent campaign was launched. In view of accumulated evidences of the grave danger of such propaganda among the inflammable Pathans, three Ordinances issued by the Viceroy on Christmas Eve armed the Chief Commissioner with special powers. Abdul Ghaffar and some 200 of his lieutenants were forthwith arrested, the movement and its volunteer bodies being declared illegal associations. Attempts of contingents of Red Shirts to enter the Kohat cantonment on December 27 were repulsed by fire of the military and a number of the insurgents were killed.

At the closing sitting of the Round Table Conference on December 1, Mr. Gandhi had hinted his fear that so far as he was concerned they had come to the parting of the ways—a synonym for the revival of so-called "non-violent" civil disobedience. The organised welcome he was to receive on his arrival at Bombay, on December 28, was marred by a counter demonstration by the depressed classes, who, incensed by his negative attitude at the Conference towards their political claims, filled the streets with black flags. Congress supporters, of whom forty were injured, had to be protected by the police.

After long talks with the Working Committee of the Congress Mr. Gandhi telegraphed to the Viceroy asking for an interview to discuss the political position. Lord Willingdon replied that Government could not have any dealings with persons or organisations responsible for recent subversive activities in India. Since Mr. Gandhi had been absent in London, and presumably had not personally any share of responsibility for the recent activities of Congress, the Viceroy was willing to discuss with him the maintenance of the spirit of co-operation in the work of constitutional reform, but not the measures which had been found necessary for the preservation of the essentials of government. In the closing

hours of the year the Congress Working Committee decided to revive defiance of the law, to boycott British goods, and restart picketing ; but Mr. Gandhi made an unsuccessful offer to suspend action if he were granted an interview with the Viceroy and was also allowed to tour the provinces, so that he could personally study conditions. In a speech at Calcutta, on December 30, the Viceroy gave a stern warning both to Congress and the terrorists, and it was clear that Government was meeting the Congress challenge by resolute determination to uphold its authority.

The census taken on the night of February 26 showed a decennial growth of population of 10.6 per cent., the total for the Indian Empire being close upon 353,000,000.

FOREIGN HISTORY.

CHAPTER I.

THE LEAGUE OF NATIONS.

FEW human institutions, whether national or international, were sorry to part company with 1931, the most perplexing year which had been known since the Great War. Similar symptoms of unrest and anxiety were apparent both in domestic and in world affairs. Causes which helped to produce a revolution in Spain or a General Election in Great Britain merged into the world-wide economic and financial crisis. A perfect League of Nations, free from the human element, might have been able to override this besetting slough of difficulties, but "our poor human evasion of perfection's overstrain" found itself as much at the mercy of but partially understood economic and financial forces as almost any national Government. In these circumstances the League, being in fact an association of some fifty-five of those very States concerned, found its normal activities overshadowed by the prevailing depression.

No sovereign remedy for the world's economic ills could be either discovered or administered. Nevertheless, at the request of certain individual States, the League of Nations gave its careful attention to their troubles. Owing to the general lack of confidence, unstable monetary conditions, and the hampering effect of elaborate trade barriers, these efforts were necessarily of a local character, and limited in their application. Expert financial inquiries were undertaken by the League of Nations in India, China, Liberia, Estonia, Lithuania, Greece, and Bulgaria. When the effects of the threatened German collapse began to involve neighbouring countries, the Austrian and Hungarian Governments again turned to Geneva for assistance. Financial investigations were immediately carried out on the spot, and League experts co-operated with the Governments concerned in drawing up schemes of financial reform with the object of enabling these two countries to survive the crisis.

It is clear, however, that the future of much of the financial work of the League of Nations is closely bound up with a speedy settlement of the problem of war debts and reparations.

Agricultural countries, no less than the industrial, found themselves drawn into the vortex of depression. The League of Nations took steps to promote the international organisation of the cereal trade. Study of the problem created by heavy overproduction of wheat led to the establishment of an International Agricultural Mortgage Credit Company. Amongst the objects of the Company is the provision of long-term credits at reasonable rates of interest, so that farmers, and particularly the small holders of Central Europe, may go over to the cultivation of other crops which they will be able to market.

Interesting developments took place in connexion with M. Briand's scheme for closer collaboration amongst the States of Europe. The Commission of Inquiry for European Union, set up by the eleventh session of the Assembly, met three times during 1931, in January, May, and September. To these discussions the majority of the nations represented sent eminent statesmen, the first session being attended by five Prime Ministers and twenty-one Foreign Ministers. Any political significance which may originally have attached to the scheme speedily became subordinated to the economic aspects. In May an ambitious programme was sketched out and the spadework was left in the hands of a number of sub-committees. Actual results, by the end of the year, were meagre. At the Assembly the chief Asiatic members of the League of Nations welcomed the work which was being done, on condition that the results should be made available for the benefit of all continents. The most sensational proposal, for a pact of economic non-aggression, was submitted by M. Litvinov, the Russian delegate. After an uninspiring discussion, the Assembly appointed a strong sub-committee to examine the practicability of this plan.

International Disarmament.—By December, 1930, the Preparatory Commission for the Disarmament Conference had concluded its work with the evolution of the draft of a Disarmament Convention. The Council of the League of Nations, therefore, had to make arrangements for summoning the First International Conference for the Limitation and Reduction of Armaments. Geneva was ultimately chosen as the seat of the Conference, the opening date was fixed for February 2, 1932, and Mr. Arthur Henderson was unanimously elected as the prospective president. In addition to the Members of the League of Nations, the following States were invited to send delegations: Afghanistan, Brazil, Costa Rica, Ecuador, the United States of America, Hedjaz, Turkey, and the Union of Socialist Soviet Republics. Before the end of the year, in response to a request that all States should supply the fullest possible information regarding the position of their armaments, fifty States submitted to the League of Nations detailed memoranda with figures and tables.

At the Twelfth Session of the Assembly in September, Signor Grandi, the Italian Foreign Minister, proposed "a real and effective truce in armaments," the purpose of which should be to enable the Disarmament Conference to meet in a favourable atmosphere. After a long debate in the Third Committee of the Assembly, in which not only League members but also representatives of the U.S.A., Turkey, Egypt, Brazil, and Costa Rica took part, the principle of an armaments truce for one year was approved. Fifty-three States accepted the truce, certain of them with reservations which were not considered to affect the general principle, so the President of the Council declared it to be in force for one year as from November 1, 1931.

Political Action of the Council.—By far the most important political dispute which came before the Council of the League of Nations was the clash between China and Japan in Manchuria, which came to a head when the Twelfth Assembly had been in session for about a fortnight. In the background there was, of course, a long history of friction between the two countries, Japan having treaty claims (hotly disputed by China) over such matters as railways, finance, and extra-territorial settlement. On September 18, as the sequel to an alleged attack by Chinese troops on the Southern Manchurian Railway, Japanese troops occupied Mukden, the chief city in Manchuria.

On September 21 Dr. Alfred Sze, the Chinese representative, formally appealed to the Council under Article XI. of the Covenant, on the ground that the Japanese Government had sent troops outside the railway zone where they were entitled to be. At the first Council meeting to deal with this matter, the League of Nations took a moderate line. Mr. Yoshizawa, of Japan, early put forward the view that the bombing incidents had been carried out by the military authorities against the will of the Japanese Government. Frequent apparent clashes of policy between the civil and military parties in Japan were, in fact, destined to handicap the conciliatory efforts of the League. Meanwhile, a resolution was adopted urging the Japanese to withdraw troops as soon as this could be effected, and requesting the Chinese Government to guarantee protection to the Japanese citizens in Manchuria. Upon both sides agreeing to take no action which might aggravate the situation, the Council adjourned.

Nevertheless, in the days that followed, the Japanese occupation of Manchuria was steadily extending. When it became apparent that China and Japan were no nearer agreement, the Council met again on October 12, earlier than had been arranged. This time, Europe's leading Foreign Ministers—Mr. Briand, Lord Reading (assisted by Lord Cecil), and Signor Grandi—attended. Mr. Stimson, the Secretary of State at Washington, had already declared the United States to be "in whole-hearted sympathy with the attitude of the League." Mr,

Hugh Wilson, the American Minister at Berne, had been holding a watching brief as observer. Despite the protests of Japan, a resolution was adopted inviting the United States to co-operate more fully, and Mr. Prentiss Gilbert (American Consul-General at Geneva) took his seat at the Council table.

Japan demanded Chinese agreement to all treaty claims prior to evacuation. The Council proposed withdrawal of troops, followed by direct negotiation between China and Japan. Although Japan's refusal prevented the unanimity necessary under Article XI. of the Covenant, the Council's resolution was adopted by the remaining thirteen members, Japan being called upon to evacuate the occupied territory by November 16.

When the Council opened its next meeting on November 14, it was apparent that evacuation had not even begun, Japan alleging the concentration of Chinese troops and ravages by bandits. The Council could do little more than reaffirm its previous resolution. However, with the consent of both parties, it was unanimously decided to send to the spot a Commission of Inquiry of five members, under the chairmanship of Lord Lytton. Hostilities at Shanghai, which eventually led to firmer action by the Assembly of the League of Nations, did not break out until January, 1932.

A number of minority questions also came before the Council. The most important concerned the German minority in Poland, and in particular, Upper Silesia. The Council declared that it was its duty to promote normal relations between the Polish authorities and the German minority. A promise was obtained from the Polish representative that his Government would act in the spirit of the Council resolution. When the question of Polish-Danzig relations was raised, the Council defined the powers of the League High Commissioner at Danzig. It also sought advisory opinions from the Permanent Court of International Justice in connexion with the position of Polish nationals in the Free City, and the special rights which Poland claimed to anchor warships in the port of Danzig.

Arbitration.—During the year, further progress was made with the development of the system of arbitration and machinery for the peaceful settlement of international disputes. Thirty-seven States, including almost all European countries, had mutually accepted the compulsory jurisdiction of the Permanent Court of International Justice in suitable classes of disputes, by signing and ratifying the "Optional Clause." With regard to all forms of quarrels not coming within the scope of the Optional Clause, the General Act for the Pacific Settlement of International Disputes had secured the adherence of sixteen States.

A new measure, the General Convention for Improving the Means of Preventing War, was laid open for signature at **the**

close of the Twelfth Session of the Assembly. Its purpose is to reinforce the powers at the disposal of the Council when dealing with any situation created by a threat of war, under the terms of Article XI. of the Covenant. When this General Convention is operative, the Council will be able to pass decisions and make recommendations without reckoning the votes of the parties to the dispute in question. As soon as ratifications by ten States have been deposited with the Secretary-General of the League of Nations, the Convention is to come into force. By the end of 1931 it had been signed by fourteen States.

Unexpected difficulties attended the preparatory work necessary before the Covenant can be amended to bring it into harmony with the Pact of Paris. When the Assembly failed to reach a definite conclusion upon this matter, a Commission, including representatives of all States Members, was instructed to meet during the forthcoming Disarmament Conference, to draw up the texts of the proposed amendments.

An exceptionally busy year was experienced by the Permanent Court of International Justice, sitting in the Peace Palace at The Hague. First, it was called upon to give its advisory opinion in the minority dispute between Germany and Poland. In the spring, there arose the controversy on the proposed Austro-German Customs Union, which was bitterly opposed by France. The question whether this arrangement would be compatible with existing treaty obligations was referred by the Council to the Court. Owing to the admixture of political and legal considerations, a verdict against the legality of the project was given by the narrow margin of eight votes to seven. In view of the fact that certain of the most eminent jurists on the bench disagreed with the opinion of the majority, the impression was widely created that this was the most unsatisfactory decision yet delivered by the Court. Further controversy on this point, however, was silenced, for by this time Germany and Austria had mutually agreed to abandon the idea of the Customs Union.

Lithuania secured a verdict against Poland in a case concerning railway traffic between the two countries, the Polish judge voting with all his colleagues against the Polish Government's contention. In the first of the two disputes with regard to Polish rights in the Free City of Danzig, the Court decided in favour of Danzig.

At the end of the year, the cases which were pending included the Norwegian claim to ownership of certain parts of Eastern Greenland, the Franco-Swiss quarrel over the "Free Zones" of Gex and Upper Savoy, and the delimitation of territorial waters between Italy and Turkey.

One new member was added to the League of Nations, bringing the total membership to fifty-five States. The five Great Powers and Spain jointly proposed to the Assembly that Mexico should

be invited to "lend its valuable support to the League as though it had been invited from the outset." This invitation was accepted, and on September 14 Mexico became a Member of the League of Nations.

International Go-operation.—Co-operation between Governments in a large number of technical matters, through the machinery of the League of Nations, developed extensively during 1931. Three international conferences met under the auspices of the Organisation for Communications and Transit. The first, held at Lisbon, on the unification of buoyage and the lighting of coasts, adopted agreements on maritime signals and attended lightships off their normal stations, and in addition a series of recommendations on beacons and radio beacons. A conference on the unification of river law drew up conventions dealing respectively with regulations for lessening the risk of collisions in inland navigation, the registration of vessels, and the right to a flag. At the Road Traffic Conference, the international agreements concluded covered the unification of road signals, the fiscal regime of foreign motor-cars, and a customs agreement for the cancellation of triptychs.

No section of the League of Nations took a wider field of activity than the Health Organisation. Research work into such matters as the standardisation of sera, and the prevention of cancer, tuberculosis, malaria, leprosy, and other diseases, continued with unabated vigour. In Europe, the Health Organisation specifically assisted Bulgaria, Czechoslovakia, Greece, and Rumania to deal with public health problems. In Africa, it co-operated with Liberia, as part of the comprehensive scheme for administrative reform drawn up to enable the negro republic to abolish conditions of slavery. Far more significant, from the point of view of possibilities in the future, was the help afforded in connexion with the reorganisation of sanitary services in China. In addition to the Central Field Health Station at Nanking, planned as the nucleus of the National Health Service, a national hospital and a model medical school began to function effectively. Amongst Latin-American countries, the Argentine Republic, Bolivia, Brazil, Peru, Chile, and Uruguay received technical assistance from the Health Organisation.

Whilst the Assembly was in session during September, news reached Geneva of the appalling havoc and loss of life caused by the heavy floods in the Yangtse valley. A definite international danger to all countries with possessions and trading interests in the Far East was foreshadowed by the rapid spread of malaria, dysentery, cholera, and typhus fever. The Assembly empowered the Health Organisation to co-ordinate assistance provided by various countries. At the urgent request of the Chinese Government for the loan of a League expert, Sir John Hope Simpson was appointed general director of the National Flood Relief Commission.

A meeting of the Leprosy Commission took place at Bangkok. **Brazil** placed an International Leprosy Research Centre at Rio de Janeiro at the disposal of the League. During June, delegates from twenty-five European countries and observers from eight non-European nations attended a conference on Rural Hygiene. Recommendations were adopted concerning medical assistance, the organisation of health services and sanitary measures in rural districts.

In connexion with the traffic in opium and other dangerous drugs, the principal event of the year was the Conference on the limitation of manufacture of narcotic drugs. A convention was adopted in July, and by the time that the Assembly met two months later, thirty-six signatures had already been registered. The Geneva Opium Convention of 1925 had secured forty-two adherents. Japan announced the adoption of measures to prevent the export of cocaine, which had been flooding into India, and Turkey reported the closure of a big drug factory which had been supplying the illicit traffic. In the Far East, a conference on the suppression of opium smoking took place at Bangkok.

The Nansen International Office, under the presidency of M. Max Hiiber, took over the humanitarian work of protecting refugees. Continuing its campaign against the traffic in women and children, the League of Nations concentrated its attention on two proposed reforms, viz., the abolition of the age-limit in the existing international convention, and the imposition of heavier penalties on *souteneurs*. During the Assembly discussion on the work of the Child Welfare Committee, special attention was paid to the question of the delinquent child. Something was done to redeem the previous year's failure to evolve measures for carrying out the Anti-Slavery Convention of 1926 when the Assembly decided to appoint a Temporary Slavery Commission of experts. This body is to submit "suggestions with a view to recommending to the next Assembly the measures of assistance which the League of Nations could render to those countries which have agreed to abolish slavery, and which request such assistance."

The Permanent Mandates Commission.—In addition to examining the annual reports on the mandated territories administered respectively by Great Britain, Australia, New Zealand, the Union of South Africa, France, Belgium, and Japan, the Permanent Mandates Commission considered petitions relating to Iraq, Palestine, the Cameroons, Togoland (under **French** mandate), Tanganyika, South-west Africa, and Western Samoa. A special study was made of the liquor traffic in relation to the "B" and "C" Class Mandates, in the light of replies **received from** the mandatory Powers. The latter were **urged to do their** utmost to control the traffic, and particularly to

take steps to prevent the natives from making clandestine distilleries.

Undoubtedly the most important matter on which the Mandates Commission had to express its opinion was the British Government's proposal with regard to the emancipation of Iraq. As the members had had no opportunity of observing at first hand the moral condition and internal policy of Iraq, their conclusions had to be based mainly on the reports of the mandatory Power, and the declarations of its accredited representative. By the test of a series of conditions which had previously been laid down as necessary to be fulfilled before a mandated territory could be released from tutelage, the Commission decided that, in the absence of evidence to the contrary, it had no reason to suppose that these conditions had not been fulfilled in the case of Iraq. The report submitted to the Council of the League of Nations suggested a series of additional undertakings which should be demanded of a new State, including the effective protection of racial, linguistic, and religious minorities. The Council having confirmed the Commission's findings, it is reasonably certain that Iraq's candidature for membership of the League of Nations will come up at the forthcoming Assembly.

In consequence of certain difficulties experienced by the British and French Governments in delimiting the frontier between Iraq and Syria, the Council of the League of Nations was asked by them to examine all aspects of the problem and to indicate a frontier which all parties could accept. A Commission of three neutral members, assisted by four assessors, was appointed to collect full information and to submit suggestions to the Council.

The League and Unemployment.—The International Labour Organisation of the League of Nations also came under the cloud of world-wide depression, which to some extent restricted its activities. It is generally recognised that the true remedies for present world maladies should be sought in economic, financial, and political directions. Yet those aspects which touch upon conditions and standards of labour come within the scope of the Organisation, and in present circumstances the problem which most deeply concerns it is that of unemployment.

On the statistical side, the International Labour Office at Geneva collected and co-ordinated information which enabled the extent of unemployment throughout the world to be measured. Its standing Unemployment Committee held two useful sessions, at which the main causes of unemployment were exhaustively studied, and appropriate remedies suggested. Emphasis was placed upon the desirability of having a better system for placing workers in employment abroad, the undertaking of large-scale public works, both of a national, and of an international character, the extension of unemployment

insurance, and the preparation of international agreements on hours of work. Thirteen Governments submitted interesting proposals regarding public works, which were passed on to the Transit Organisation for the comments of its Public Works Committee.

At the Fifteenth Session of the International Labour Conference, which was attended by forty-eight States, a draft convention was adopted on hours of work in coal-mines. A first discussion on the question of age of admission of children to non-industrial occupations led to the decision to enter this subject on the agenda of the 1932 Conference. On December 31, 1931, 449 ratifications of International Labour Conventions had been officially registered at Geneva.

Three non-permanent members of the Council, as usual, had to be elected by the Assembly. China and Panama succeeded Persia and Venezuela, and Spain was re-elected. At the proposal of the British Government, a special committee was appointed to study the present system of Council elections, and to report on any reforms which might appear desirable.

It cannot be claimed that 1931 was one of the most successful years experienced by the League of Nations. As an instrument for co-operation between Governments it consolidated its position, but little headway was apparent in economic and political matters, in which the League could make little or no impression on the stubborn and ferocious nationalism of its constituent States. Temporarily, at least, the Manchurian crisis marked a definite setback to the League's main work for the preservation of peace. One bright feature, however, was closer co-operation on the part of the United States of America.

CHAPTER II.

FRANCE AND ITALY.

FRANCE.

FRENCH politics were dominated throughout the year by the personality of Pierre Laval, who introduced a new method and, to some extent, a firmer policy. The Cabinet formed by Theodore Steeg on December 13 of last year was, as anticipated, doomed to an early defeat. No sooner was the end-of-the-year vacation finished than it was faced with a debate in the Chamber on the statement of Victor Boret, Minister of Agriculture, that he meant to raise the price of wheat. The question was not of great importance, but there was a party majority against the Prime Minister, and on January 22 he was overthrown on a vote of confidence by 293 to 283. The President, M. Doumergue,

offered the opportunity to M. Laval to form a Cabinet, a task he successfully accomplished on January 27.

M. Laval had figured in previous Ministries, but he was nevertheless an unknown force. Both before and after his appointment he carefully refrained from making eloquent or elaborate speeches. He preferred to stand quietly in his place and to reply to adversaries briefly and to the point. He would seem to be rather anxious to give an impression of mediocrity and not of brilliance, of conciliation and not of aggression—in strong contrast with M. Tardieu who had been Prime Minister in 1930. Andre Tardieu accepted the post of Minister of Agriculture, and Aristide Briand was maintained in that of Foreign Affairs. An outstanding figure in the Cabinet was that of Pierre Etierme Flandin, who was in charge of Finances, though Budgetary matters were in the hands of Francis Pietri. Andre Maginot was selected for the War Ministry, Paul Reynaud for the Colonial Ministry, J. L. Dumesnil for Air, Charles Dumont for the Marine, Louis Roll in for Commerce, while Leon Berard was Vice-President of the Council and Minister of Justice. There may be mentioned also Francois Poncet, who was a conspicuous success as Under-Secretary for National Economy, and was subsequently sent to Berlin as French Ambassador. The groups from which these and other Ministers were chosen were those which had formed the majority of M. Tardieu, and the Cabinet might be described as Centre-Right. The Radicals and the Socialists were again in opposition to the Government. On January 30, when M. Laval presented his Ministry to the Chamber, he had no difficulty in obtaining a vote of confidence by a majority of more than fifty, which resembled that of M. Tardieu. It was stated that France, though striving for peace, would do nothing to weaken national security.

What was known as the Oustric case, which had complicated French politics in the previous year, was brought to a head by the Parliamentary Committee of Investigation which recommended that there should be arraigned before the High Court—namely, the Senate—Raoul Peret, a former Minister, Rene Besnard, a former Ambassador, Gaston Vidal and Albert Favre, former Under-Secretaries. The allegations were that the quotations of certain Italian shares had been authorised at the instance of M. Oustric, a banker in discomfiture. M. Vidal had acted as agent and had seen both M. Peret and M. Besnard. Although this decision was taken at the beginning of February, it was not until April 2 that the Senate decided to try the four ex-Ministers and Under-Secretaries, and it should be added at once that at the trial, which opened on May 19, all the defendants were acquitted.

By an almost unanimous vote—there were only eleven opponents—the Chamber, on February 13, approved French participation in international credits which were being advanced

to Germany by banking groups in the United States, Great Britain, Holland, Sweden, and Switzerland. Ordinarily the question was not one which should have come before the Chamber for approval, since the transaction was in no sense a national loan and the endorsement of the Government was not necessary. But despite the virtual unanimity a good deal of feeling had been stirred up against French aid for Germany, where the Hitlerites were already regarded as becoming dangerously strong. The Government explained that it was in no way concerned in these short-term operations. Hence the overwhelming vote in its favour. But the agitation was symptomatic of a hardening of French feeling towards Germany which was to have important results later in the year.

Undoubtedly the project of a Customs Union between Germany and Austria increased the Franco-German tension in the month of March. The French Government joined in the protestations at Vienna and Berlin, and M. Briand, profiting by the presence at Paris of Mr. Henderson, induced him to intervene through the British Ambassadors in those two capitals. It was understood that there would be no decisive step taken until the League of Nations could consider the matter at the Council meeting in May. France and the members of the Little Entente urged that such a union was contrary to the provisions of the Versailles and St. Germain Treaties, and also of the Protocol signed by Austria with France, Great Britain, and Czechoslovakia, in October, 1921, when financial aid was given to Austria—a view partially endorsed by the Hague Court, to which the matter was referred. It would be difficult to exaggerate the disquietude aroused by the Austro-German proposal, and it may well be that the set-back suffered by the policy of M. Briand should be dated from it. The French Foreign Minister was considered to have erred on the side of optimism, and his prestige suffered. On May 3 M. Laval, in a speech at La Courneuve, took a firm stand against this attempt to create a system of separate economic alliances. M. Briand had planned a European Federal Union and therefore French disappointment was the greater in that the Austro-German economic *Anschluss*, which might be a preliminary to a political *Anschluss*, would cause grave prejudice to international solidarity. On May 8 M. Briand himself replied to charges of laxness and inefficiency made by Franklin-Bouillon. He claimed credit for having initiated a system of financial aid for Eastern European agricultural states, and promised that France would present further constructive plans for wide collaboration. It is noteworthy that Edouard Herriot, the Radical Party leader, made a vigorous speech which, although not assailing M. Briand, went further than the Foreign Minister had done in condemning Austro-German Union without qualification. The Chamber unanimously voted against the

project and on the general conduct of foreign policy cast 430 votes to 51. This vote was perhaps wrongly interpreted as a justification of M. Briand. It encouraged him to declare himself a candidate for the Presidency of the Eepublic.

His defeat in the National Assembly at Versailles on May 13 was in some respects the most significant event of the year in French politics. It was realised that he was losing ground, but it was believed that even those who were critical of his policy would vote for him in order to remove him from the political arena and thus prepare the way for a stronger policy. These prognostications were mistaken. On the first ballot Paul Doumer received 442 votes and M. Briand 401, while a number of votes were scattered. The minority of M. Briand came as a surprise, for his friends had been confident of victory. M. Briand decided to withdraw, and on a second ballot being taken, a Radical Senator, formerly a Minister, M. Marraud, was opposed to M. Doumer. The final result was that M. Doumer obtained 504 votes gainst 334 for M. Marraud.

M. Doumer was born on March 22, 1857. He was, at the time of his election, President of the Senate. During his long career he had been Governor of Indo-China and had occupied many Ministerial posts. As long ago as in 1906 he had been candidate for the Presidency, but was defeated by M. Fallieres.

In view of M. Briand's European standing it was anticipated that after this resounding defeat he would resign from the post of Foreign Minister. But after consultation with his friends, and after a formal tendering of his resignation which was politely declined, he decided to remain in office. He reserved the right to withdraw if the Chamber did not approve his policy. An opportunity for a debate was soon given. Franklin-Bouillon sharply criticised the conduct of M. Briand in the Council of the League at Geneva and in the European Committee. The Government was bound to undertake M. Briand's defence on the ground that there was no policy of Briand but only a policy of the Government. The paradoxical result was that the Left, which may properly be considered to support M. Briand, voted against him and the Government of which he is a member, while the Right, which was hostile to his conduct of affairs, was compelled to support the Government and therefore M. Briand. The downfall of the Government would not necessarily have meant the condemnation of M. Briand ; it was calculated that he might, in that event, have put himself at the head of the Left which had voted against him, and with some support from the Centre have formed a Cabinet of his own. The result of the debate on May 28—319 to 257—was therefore equivocal, but it sufficed to create a certain solidarity of M. Briand and the Government. It is to be remarked, however, that M. Laval thereafter, though his specific office was that of Minister of the

Interior, personally conducted the highly important negotiations which began with the publication of President Hoover's message on reparations and war debts.

The situation in Germany had worsened, and it was obvious that Germany was unable to pay the reparations annuity under the Young Plan. Two-thirds of that annuity (roughly) was earmarked for the payment of the Allied debts, and therefore a suspension of Germany's payments seemed to imply a suspension of Allied payments. Mr. Hoover, on June 20, after consultation with leaders of the American political parties, proposed the postponement during one year of all payments on inter-Governmental debts, both principal and interest, subject to confirmation by Congress, in order to help in the economic recovery of the world. He made it clear that he did not approve of the cancellation of debts to the United States, but was simply moved by consideration of the capacity of the debtors to pay in the prevailing abnormal conditions. It was authoritatively announced that Mr. Hoover's proposal embraced the unconditional as well as the conditional annuity under the Young Plan.

This statement particularly touched France which had always insisted on receiving the greater part of the unconditional payments in no matter what circumstances. The French complained that they had not been properly consulted and that they were faced with a sort of ultimatum. There had been an Anglo-German Conference at Chequers and there had been Anglo-American conversations at London, and then the manifesto had been launched. The American Ambassador at Paris, Mr. Walter Edge, by a personal demarche assured M. Laval that this interpretation was not exact; but while accepting the Ambassador's explanation, the French could not but feel that the proposal was precipitate and the diplomatic forms had not been observed. Certainly it was agreed that Germany was in difficulties, and the American initiative was regarded as well intended. Yet it was pointed out that American capital was largely engaged in Germany. In short, the French reaction was such that the Hoover initiative was, by delay in its acceptance, robbed of its dramatic, and therefore psychological, value.

The French objections in practice were that the proposal came too late and that it did not discriminate between the unconditional portion of the German annuity of which France was the principal beneficiary, and the conditional portion which corresponded to the liabilities of Europe towards America. France, on June 15, like other debtor countries, had paid its six-monthly debt to America. France had placed in its Budget the sum of two milliard francs due from Germany. In both these ways therefore France was called upon to make sacrifices, and the French opposition to sacrifices was stiffening. Yet France could not afford to be isolated, and the French Government eventually

resigned itself to accept the American proposition while safeguarding its rights. The principle of reparations, it intimated, must be maintained. The Young Plan must not be abandoned. Germany could not be excused from paying the unconditional portion of the annuity, but France would allow this portion to return to the International Bank, which would open an equivalent credit for the benefit of Germany. Moreover, it was laid down that the sums thus placed at the disposal of Germany should be used purely for economic purposes, and even in the economic domain they should not be used to facilitate dumping. In spite of these precautions the Parliamentary vote was not easily obtained. On June 27 M. Laval was saved by the 105 Socialist votes which, for once, were cast in his favour. On this occasion it was a Socialist opposition which, in the interest of international solidarity, broke its political habit. The Radicals voted against the Government. The normal majority was divided.

Mr. Mellon, the United States Secretary of the Treasury, came to Paris, and on June 29 a *communiqué* was issued stating that the American negotiators were transmitting to Washington an account of the discussions. On June 30 the Government received a vote of confidence in the Senate, M. Laval describing the situation as the most delicate that had arisen since the war. "Reparations," he said, "must not be called into question. The Young Plan and the Hague agreements must be maintained." By July 6 Mr. Mellon and M. Laval had reached an accord on the lines already indicated. It was agreed that the unconditional portion nominally paid by Germany should go to the German railways as a loan to be reimbursed with interest in ten years, and that Central European countries should, to a certain extent, also be aided. There were difficulties concerning payments in kind assured by contracts, and it was resolved that a committee of experts should decide in particular cases. The Prime Minister made a statement to the Press in which, while declaring that France had made a hard sacrifice, he pointed out that the Government had not allowed the "sacred" rights of France to reparations to lapse.

On July 9 Dr. Luther arrived in Paris and was received by the Minister of Finance. He pleaded for a renewal of credits granted by the International Bank and some of the national banks, including the Banque de France. Mr. Stimson, the American Secretary of State, arrived in Paris on July 15, and had conversations with French Ministers. Mr. Henderson, the British Foreign Secretary, participated in some of these conversations on subsequent days. It is important to observe that at a Cabinet meeting it was decided that any aid for Germany was dependent on financial guarantees and political measures taken by Germany. France, Great Britain, and the United States, through their representatives in Paris, discussed the conditions of a loan to

Germany ; and it was suggested by France that the Customs revenue should be given as a guarantee and the International Bank should act as trustee, while Germany should undertake not to take any action against the treaty for ten years nor add to its military expenditure. These suggestions were condemned on behalf of the United States by Mr. Stimson as impracticable. Certainly the United States would have nothing to do with any scheme which involved it in European politics.

On July 18 Chancellor Bruning, accompanied by Dr. Curtius, the Minister of Foreign Affairs, also came to Paris to consult with M. Laval. It was the first time since the foundation of the Empire by Bismarck that a German Chancellor had visited Paris. They were given a remarkable reception which denoted at least a friendly personal regard for them. It was recognised that some help for Germany was indispensable, but the French Government held to its conditions and welcomed the opportunity of explaining its position to the German Ministers. While the German Ministers were in Paris they also conferred with Mr. Stimson and Mr. Mellon. Mr. Henderson and Lord Tyrrell, British Ambassador, were called in, as were Signor Grandi, Italian Foreign Minister, and Count Manzoni, Italian Ambassador, M. Hymans and M. Franqui, Belgian Ministers, and others. Two long official communiques were published which did little more than express goodwill. The Prime Minister declared that he hoped the meeting would mark the opening of confident collaboration, and under the reserves, financial and political, on which France insisted, the Government would be ready to discuss terms of co-operation. On July 20 there was an international conference, in which France and Germany participated, at the House of Commons in London, and on the following days there were discussions which culminated in a recommendation to renew credits to Germany and to ask the International Bank to study the possibilities of converting short-term credits into long-term credits. M. Laval, in a statement to the Press, said the conference had been wise not to go outside the general lines laid down in advance.

At this time (July 21) the Government issued the text of a memorandum on armaments prepared for the League of Nations in which it was stated that a reduction of armaments should largely depend upon the organisation, the rapidity, and the certainty of mutual assistance against aggression. It also remarked that there was no agreement to adopt the size and character of armaments imposed on other states by the treaties as a model. Geographical situation and the special conditions of national security must be taken into account. The problem was political rather than technical. There should be respect for treaties, and no attempt to modify the order established by international contracts. The idea of neutrality was irreconcilable with solidarity and the real problem was to organise peace.

In this connexion M. Maginot, in his speech of July 27, said that the special situation of each country was to be considered and there was no absolute standard of needs. France had reduced its forces already only because German armaments were limited, and if Germany were free to re-arm, France would be obliged to increase its armaments. Moreover, France could not agree to a general limitation unless there were guarantees for the maintenance of international order.

British financial difficulties led to discussions at the beginning of August between Sir Robert Kindersley, a Director of the Bank of England, and M. Moret, Governor of the Banque de France, with the result that 50,000,000l. credit was placed at the disposal of the Bank of England by the Banque de France and the Federal Reserve Bank of New York in equal shares. M. Moret said, "We are glad to have been able to give our British friends all the assistance they could wish. Our action is a proof of the spirit of close co-operation between central banks." At the end of the month a *communiqué* stated that France was prepared to advance a further sum of 5,000,000,000 francs, while an American financial group would advance 200,000,000 dollars for a year. It was explained in France that the Government had in no way encouraged the drain of gold from Great Britain to the Banque de France, and that the movements of gold, which placed French holdings second only to those of America, and depleted the British stock, were due to purely commercial causes, and were indeed contrary to the wishes and interests of the French Government.

On September 27 M. Laval, accompanied by M. Briand, returned the visit of German Ministers to Paris and arrived in Berlin. They were given a warm welcome, and after various ceremonies and consultations it was announced that France and Germany had agreed to co-operate in the solution of economic problems and were to form a joint committee. It was particularly stated that M. Laval was adopting practical rather than sentimental methods. His plan was to link the two countries by economic agreements and to strengthen the Commercial Treaty of 1927. This scheme was hailed as a fresh beginning in Franco-German collaboration, and undoubtedly enhanced the prestige of the Prime Minister. The Franco-German Economic Committee held its first meeting in Paris on November 13.

On October 16 M. Laval left Paris for a visit to Washington, at the invitation of President Hoover. The meeting of the French and American statesmen was cordial and M. Laval achieved another personal success. But apart from the Franco-American decision to maintain the gold standard, which Great Britain, followed by other countries, had temporarily abandoned, no positive results were recorded. In France the voyage was interpreted as confirming the French attitude on reparations

and debts and disarmament. It was likewise asserted that Mr. Hoover consented to take no new initiative without previous consultation with France. There was satisfaction at the recognition of French financial and political strength. All this is somewhat negative, but M. Laval, faithful to his method, had been the first to warn his countrymen against excessive expectations. On his return it was announced that a new moratorium must be solicited by Germany within the framework of the Young Plan. Ambassador von Hoesch, on November 3, had conversations with French Ministers, and it was agreed that the committee of inquiry provided for in Article 119 of the Young Plan should be convoked at Basle to report on Germany's financial condition as affecting the reparation payments. It was intimated that Germany was preoccupied not only with reparations but with short-term credits which were repayable in February. M. Laval asserted that these commercial debts could not be given precedence over the political debts and must be considered separately. Though Germany raised the question in its application for the convocation of the committee, the French attitude did not vary.

The French Chamber resumed its sittings on November 12, and immediately discussed foreign affairs. M. Briand, engrossed by the Sino-Japanese dispute in Manchuria which was before the League of Nations, virtually left the conduct of this debate to the Prime Minister. M. Laval affirmed once more that he did not accept the relationship between public and private debts, and that the question of private debts must be settled by the interested parties and not by the Governments. On the other hand, the French doctrine that reparations and debts were connected, that the unconditional annuities could not be touched, and that the Young Plan alone regulated German payments, was left unshaken. The condition of France, said M. Laval, did not authorise the Government to waste its resources and to show a providential prodigality. A vote of confidence was passed in him by 327 to 151. Subsequent assaults on the policy of the Government, internal and external, were easily repelled.

ITALY.

The key to Italian foreign policy during the year was set by Signor Mussolini in a New Year speech, delivered over the wireless in English and addressed more particularly to the United States, wherein the Duce made formal undertaking that Italy would never take the initiative in starting a war. The need of Italy was for peace ; it was the desire of Fascism to ensure a prosperous future for the nation based on co-operation with all the other countries of the world. Signor Mussolini also gave expression to his cordial feelings towards the American people,

and emphatically declared that Europe could never emerge from its post-war difficulties and regain prosperity without the assistance of the United States.

Italy's will to peace, and in particular her desire for collaboration with the United States Government, were put to the test later on in the year during the visit to Rome in July of Mr. Stimson, the American Secretary of State. A very favourable atmosphere for this visit had been prepared by Italy's immediate and unconditional acceptance, a fortnight previously, of Mr. Hoover's proposal for a moratorium for inter-Governmental debts and reparations, although, in Signor Mussolini's own words, its acceptance "involved notable sacrifices for Italy." The feeling in Rome at the time may be illustrated by some eloquent remarks with which the Italian acceptance was notified. "I trust," Signor Mussolini affirmed, "that President Hoover's initiative, of which the high moral significance has been perfectly appreciated by the Italian people, may mark the beginning of a period of more effective collaboration between the nations. This is the more necessary, inasmuch as the present moment is one of widespread difficulties and, moreover, immediately precedes the Disarmament Conference."

Although Mr. Stimson's visit was described as unofficial, it was soon made clear that the occasion had been chosen to discuss with Signor Mussolini and with Signor Grandi, Minister for Foreign Affairs, the standpoints of the two countries with regard to international questions, and more particularly to the problem of disarmament. Signor Mussolini not only took the opportunity of again repeating Italy's readiness to accept the lowest possible figures for armaments, but also insisted that disarmament must be spiritual as well as material and must find expression in a more sincere and thorough collaboration between the various countries. These views were, it is understood, fully appreciated by Mr. Stimson, and the success of the conversations was explicitly acknowledged in Mr. Stimson's statement that his visit to Italy had fulfilled his "highest expectations."

During his stay Mr. Stimson, as was announced later, had formally invited Signor Grandi to be the guest of the Government of the United States later in the year. The invitation was cordially accepted, and Signor Grandi in November paid visits to New York, Washington and Philadelphia, during which he was received by President Hoover and had several conversations with Mr. Stimson. The importance of these conversations was clearly brought out in the special communique issued at the time, which announced that among the subjects discussed were the present financial crisis, inter-Governmental debts, questions connected with the limitation and reduction of armaments, the stabilisation of international exchanges and other vital economic problems. The communique also testified to the belief of the

parties to the discussions that "the existing understandings between the principal naval Powers could and should be completed."

This pointed allusion to the necessity of completing the Three Power London Pact on naval matters by a further Italo-French agreement gave rise to hope that the difficulties left unsolved at the London Naval Conference were approaching settlement. The year, however, closed with this obstinate problem still unsettled. The failure of France and Italy to reach agreement in spite of the imminence of the General Disarmament Conference was the more disappointing inasmuch as an understanding between the two countries had, prematurely as it afterwards transpired, been announced in the spring. At the close of a visit paid to Rome by Mr. Arthur Henderson, the British Foreign Secretary, and Mr. Alexander, First Lord of the Admiralty, the happy news was published that "agreement had been reached in principle on questions left outstanding at the London Naval Conference." In the warm expressions of satisfaction published at the time in the Italian Press, cordial tributes were paid to the disinterested and sincere efforts made by the British Government to ease the Italo-French situation, and attention was drawn once again to the excellent relations prevailing between Great Britain and Italy. An unofficial but inspired summary of the agreement showed that it provided for a naval holiday between Italy and France and a postponement until the end of 1936 of all the questions connected with the limitation of the respective fleets. Although a warm message of congratulation was received by Signor Grandi immediately after the agreement was announced, signed both by M. Briand and Mr. Henderson, modifications amounting, in the Italian view, to substantial changes were proposed by the French experts charged with drafting the final document and, in the end, it was found impossible to conclude a treaty satisfactory to both parties. A partial compensation for this setback was, however, obtained when at the Assembly of the League of Nations held in September a proposal for a twelve-months' armaments truce was made by Signor Grandi and endorsed by the Assembly. The proposal was communicated to the respective Member-States of the League and found general acceptance.

In August Dr. Brüning, the German Chancellor, and Herr Curtius, the German Minister for Foreign Affairs, visited Rome. This visit gave Signor Mussolini a further opportunity of urging the necessity for general action between the Governments calculated to heal the "moral and material ills inherited from the war." Italy has made no secret that such common action should include a revision of the peace treaties and a severe limitation, if not the total abolition, of reparation payments. These views received vigorous expression during the March on Rome celebrations held in Naples in October, when Signor Mussolini

demanded whether it was possible " that sixty long years must pass before the word ' Finis ' is written underneath the tragic balance-sheets " of reparations and whether peace was possible " when, on the one hand, there were nations armed to the hilt and, on the other, Powers condemned to remain unarmed." Reconstruction, the Duce affirmed, presupposed the " modification of certain peace treaties which have driven the world to the edge of material catastrophe and moral despair." Having thus clearly laid down its views on the problems involved, the Italian Government proceeded actively with its preparations for the Reparations and Disarmament Conferences.

In contrast to Italy's good relations with the world at large was the violent and bitter quarrel which sprang up in the early summer between the Government and the Vatican. Friction had been growing for some time between the Fascist organisations, especially the University and young people's groups, and the rival clubs of the " *Azione Cattolica Italiana*," which was protected by the Concordat concluded with the Holy See on the occasion of the settlement of the Roman question in 1929. These antagonisms were first brought to public notice during an audience given by the Pope in May to the leaders of the Roman Catholic University Groups. The Catholic students declared that, according to the Fascists, membership of Catholic clubs was incompatible with membership in the Fascist organisations, and cited cases where Fascist hostility had led to violent manifestations and in one instance to the destruction of the quarters of a Catholic club. The Pope declared that the notion of the incompatibility to which the students referred had been expressly denied by the Fascist authorities, and ended by urging the Catholic students not to suffer these affronts meekly but to " take action." Copies of the *Osservatore Romano*, containing the report of this audience, were promptly burnt by Fascist members of the University of Rome and the signal was thus given for violent outrages, during which Catholic students and members of the youth organisations of the *Azione Cattolica* were maltreated and their club premises attacked. The movement developed almost at once into an alarming anti-clerical reaction in open contradiction to the understanding between Church and State so loudly proclaimed when the Lateran treaties were signed. The movement came to a head when, on May 30, the police authorities throughout Italy closed the various youth institutions of the *Azione Cattolica*—a precautionary measure followed almost at once by a Government decree dissolving all young people's associations not immediately dependent on the Fascist " *Balilla*" organisation. The Pope in turn announced the suspension throughout Italy of all public religious manifestations and processions. These political moves were accompanied by a bitter polemic between the *Osservatore Romano* and the Italian Press, which accused the *Azione Cattolica*

of trying to set up rival occupational associations against the Fascist trades unions and, in short, of seeking to revive a Catholic political party in opposition to Fascism.

The dismay of those Italians who, being both good Fascists and good Catholics, had been persuaded that, after the conciliation between Church and State the two allegiances were perfectly compatible, became acute when, early in July, the Pope issued an encyclical which could only be interpreted as a virtual condemnation of the whole Fascist ideology. Since the outbreak of the conflict the Pope had not disguised his sorrow and indignation at the treatment received by the Catholic associations or omitted to hold up the action of the Italian Government to the condemnation of the Catholic world. In the encyclical, which by an almost unique departure from custom was first published abroad, the Pope categorically ruled that "those persons can consider themselves Catholic by baptism and in name only . . . who adopt and carry out a programme which has taken as its own doctrines and maxims in such marked contradiction with the rights of the Church." The doctrines and maxims alluded to by the Pope were, it was made clear, those professed by the Fascist Party with regard to education. The Government was in fact accused by the encyclical of "entirely monopolising the youth of the country from earliest childhood to maturity, and all for the exclusive advantage of a party and of a regime, on the basis of an ideology which openly resolves itself into a veritable pagan state-worship," contrary to the rights both of the family and of the Church. The whole campaign against the *Azione Cattolica* was qualified as a pretext for wresting the youth of the country from the *Azione Cattolica* and from the Church itself. The passage which provoked the most bitter resentment of the Fascists, however, was that wherein the Pope qualified the Fascist oath as "not permissible" inasmuch as it bound those who took it to give unquestioning obedience to orders which, as they had seen, might include trampling on the rights of the Church. The Pope, realising that for many people the possession of the Fascist card of membership was a condition of their livelihood, decreed that Catholics might take the oath with a mental reservation safeguarding their duties as Christians.

The circumstances of the publication of this document, no less than its contents, increased the bitterness on both sides. The possibility was even at one time freely discussed of a repudiation of the Concordat and therefore, in accordance with the position always taken up by the Pope, of the determination of the Lateran Treaty itself. The open advocacy of such a course among the extremists on both sides redoubled the efforts of those men of goodwill among both Catholics and Fascists who were working for peace, and, although the Fascists replied to the encyclical, both by a declaration that no Fascist could henceforth

belong to the *Azione Cattolica* and by a *Foglio d'Ordine* exalting the idealistic motives of the men who had subscribed to the Fascist oath, more moderate counsels began to prevail. In obedience presumably to orders received from higher quarters, the Press of both parties ceased to fan the flames, the dispute was relegated to the normal diplomatic machinery, and early in September it was announced that an agreement had been reached. The Government consented to recognise once again the doctrine of compatibility between membership of the Fascist party and of the *Azione Cattolica* and to allow the reopening of the Catholic youth clubs. In future, however, these clubs were to exclude all forms of athletic training from their programme and to abstain from using the Papal or any other non-Italian flag. Further, the *Azione Cattolica* was put under the charge of the Bishops, who, in choosing the directors, were to exclude men who had in the past been members of parties hostile to Fascism. The establishment by the *Azione Cattolica* of vocational unions was forbidden and its exclusively spiritual purposes were formally recognised. This agreement was received with the greatest satisfaction on both sides and marked the opening of a new and cordial era in the relations between Church and State.

The credit of the Government both at home and abroad was also enhanced by the vigour and success of its colonial policy. In the first month of the year the Italian troops captured the oasis of Kufra and the Italian flag was hoisted over El Tag, the centre of this stronghold of the Senussi, in the presence of the Governor of Libya, Marshal Badoglio and of General Graziani. The campaign which led to this victory had started in the previous December and ended in an engagement in which the insurgents, who were about 400 strong, were routed. This victory implied the cessation of any serious organised opposition to the Italian troops and initiated a widespread movement for the pacification of the colony. In September the Italians captured their most formidable enemy, the veteran Senussi chief, Omar el Muktar, and publicly hanged him. In the same month General Graziani, the Vice-Governor of Cyrenaica, issued a proclamation promising a free pardon to all those insurgents who laid down their arms, and encouraging reports of the return to peaceful conditions continued to be received.

The prestige of Italy's airmen was further strengthened by the successful formation flight from Rome to South America, by a squadron of fourteen seaplanes, eleven of which were successful in reaching Rio de Janeiro. The machines left Orbetello on December 17 and started their transatlantic flight proper at Bolama on January 6, reaching Port Natal the same evening. In taking off at Bolama, however, two machines fell into the sea and, although one was salvaged later, five lives were lost. General Balbo, the Italian Air Minister, who personally commanded the

squadron, claimed that their losses were beneath the estimate made when the flight was organised.

In home affairs the persistence of the economic crisis gave the Government a further opportunity of putting into practice its claim that the Fascist State, unlike those founded according to the principles of Liberalism, is contrary to a policy of a remote indifference to the national economic life. A striking example of State intervention was the creation of the "Istituto Mobiliare Italiano," the purpose of which in Signor Mussolini's words is to "assist healthy industrial undertakings, the path of which has been made specially difficult by the world crisis/" The need for a body that would ensure long-term credits to industry had been felt for some time and had been made particularly urgent by the total inability of the *Banca Commerciale Italiana* to perform this function any longer. The Bank's position, as was well known, had during the last few months become increasingly embarrassing on account of its large holding of "frozen credits" in the form of industrial securities which in the circumstances then prevailing could not have been realised on the open market without heavy loss. On the other hand, the continued possession of these securities interfered with the Bank's normal activities and involved a serious limitation of its liquid assets. The Bank was rescued from this situation by the creation of a new Industrial Finance Company, representing a number of Italian business concerns, which took over the Bank's industrial holdings. As a result the *Consorzio Mobiliare Finanziario*, which is the majority holder of the Bank's capital stock, was able to increase its liquid capital from 210,000,000 to 630,000,000 liras.

The "systematisation" of the *Banca Commerciale Italiana*, however, left unsolved the general problem of the financing of the national industries, and the field was left open for a fresh assertion of the "totalitarian" tendencies of the Fascist Government. By the creation of the *Istituto Mobiliare Italiano* the State not only claims to have made secure the position of those commercial enterprises which are fundamentally sound but to have, at the same time, discouraged rash speculation with the nation's savings by itself helping to select and guarantee the concerns in which these savings should be invested. The *Istituto* is, in fact, a semi-state body; both the President and the Vice-President are appointed by Royal Decree on the advice of the Prime Minister and the Finance Minister in consultation with the Minister of Corporations, while three out of the remaining thirteen members of the Board of Directors are also appointed by Ministers of the Crown. Further, the *Istituto* is expressly placed under the supervision of the Minister of Finance. In return the State Loans and Deposits Bank is subscribing half of the 500,000,000 liras which constitute the Bank's minimum capital while the **Government** undertakes to guarantee securities issued by the

Istituto for purposes deemed to be of exceptional public importance. Both Signor Mussolini and Senator Thayer, the first President of the *Istituto*, have been at pains to demonstrate that this new venture does not mean State Socialism but an advance towards the concrete realisation of the Fascist Corporative system. That system, the Duce insisted, "respects fundamentally both private property and private enterprise, but intends at the same time that these shall come within the State which alone can protect, control, and vivify them."

State encouragement is understood also to have largely helped to bring about the great shipping amalgamation announced in November whereby Italian sea passenger traffic was concentrated in the hands of three companies, namely the *Italia* (grouping together the *Navigazione Oenerale Italiana* and the *Lloyd Sabaudo*), the *Cosulich*, and the *Lloyd Triestino*, the latter absorbing the *Marittima* and *Sitmar* companies. This operation not only represented another step towards the rationalisation of Italian industries but was also intended to reduce internal rivalry between Italian shipping concerns and thus to strengthen their power to compete with foreign companies.

During the year the economic crisis was keenly felt in Italy as elsewhere ; revenue fell and trade dwindled. Some of the more acute consequences of the crisis had been anticipated by the general movement for reductions in salaries, wages, and costs initiated in November, 1930. Rumours of a repetition of these measures current in the autumn were set at rest by the official announcement by the Central Corporative Committee on November 1 to the effect that further " cuts " were inadvisable. Italian currency was able to withstand the blow administered to the world financial situation by the abandonment of the gold standard in Great Britain and elsewhere, and Signor Mussolini's assurances that Italy would maintain the rate of exchange of the lira as stabilised in 1928 remained fulfilled. The new British tariff policy reacted unfavourably on Italian trade but, although in September a 15 per cent, super-duty was imposed on many classes of imported goods, there was no talk of " reprisals " against Great Britain.

Late in the year Signor Giuriati resigned the post of Secretary of the Fascist Party held by him since September, 1930, after he had succeeded in purging the party of some 150,000 undesirable elements. He was succeeded by Signor Achille Starace who had on more than one occasion held the post of Vice-Secretary of the party.

CHAPTER III.

GERMANY AND AUSTRIA.

GERMANY.

THE effects of the world economic crisis of 1931 were felt in Germany with especial severity. The collapse of national and international credit was not calculated to check the wave of political extremism which had manifested itself at the elections of September 14, 1930. The growth of the National Socialist Party became a decisive factor in the internal politics of Germany. The disintegration of the republican parties of the Centre spread further, and invaded the Social-Democrats also.

Under these conditions the Government had to give up the idea of working constitutionally with Parliament. Almost all its measures had to be carried through without the co-operation of Parliament, by the use of dictatorial powers. Laws were put into force in the guise of so-called emergency decrees. The Reichstag was adjourned from the end of March to the middle of October, and then again, after sitting a few days, to February, 1931. During both periods of session, votes of censure were moved against the Brüning Cabinet; the first was negatived by 292 votes to 220, and the second by 295 votes to 270. Thus the parliamentary majority of the Government fell by two-thirds in the course of the summer. In October the Reich Chancellor, Dr. Brüning, thought he might improve the parliamentary prospects of the Government by reconstructing his Cabinet. The position of Dr. Curtius, the Foreign Minister, having become untenable on account of the rejection by the League of Nations and a Court of Arbitration at The Hague of his plan for a Customs Union between Germany and Austria, the Chancellor himself took over the Foreign Office. The Ministry of the Interior was transferred to the Minister of Defence, General Groener. Professor Dr. Warmbold, formerly a Prussian Minister, was appointed Reich Minister of Economy. Dr. Joel, who had for many years been Secretary of the Ministry of Justice, and who belonged politically to the Right, was promoted to the post of Minister of that Department. The Ministry of Communications was taken over by the Minister without portfolio, Herr Treviranus, whose activities had hitherto been devoted to the so-called "Eastern Districts Relief," an organisation for the assistance of East German agriculture. His successor as Commissary for the Eastern Districts Relief was Herr Schlange-Schöningen, who had formerly been a German-National Deputy to the Reichstag. The members of the Cabinet who retained their posts were the Finance Minister, Dr. Dietrich, the Minister of Defence, General

Groener, the Minister of Labour, Dr. Stegerwald, and the Minister of Posts, Herr Schatzel.

The new composition of the Cabinet signified a concession to the opponents of the Government in the Right camp. Yet it failed to win over for Dr. Brüning any part of the Right Opposition. The Government still had to rely on the support of the Social-Democrats. With great self-sacrifice this party resolved to support the Government in spite of its being in the main on the side of the employers, because the downfall of the Cabinet would have left the way to power open to the National Socialists. As the price of their support the Social-Democrats vainly demanded that an energetic campaign should be undertaken against the National Socialist revolutionary agitation. The Government had neglected to put an end in time to the subversive tendencies of the Right. For years the attention of the police and the Courts had been directed only to the Communist movement. After the election of September, 1930, the National Socialists had become so strong that their leader, Adolf Hitler, felt able to declare that the party was "law-abiding," and would never seek to obtain control by violent means. This declaration was not easy to reconcile with the existence of a strong nucleus of National Socialist troops, organised after the pattern of the Italian Fascist militia.

The National Socialists owed a great part of their success to their complete repudiation of all obligation to pay reparations. As the party of national opposition, they won their greatest number of adherents through their campaign against the "oppression and forcible subjection of Germany." The economic developments of the year and the growing evidence of Germany's inability to pay its reparation obligations seemed to justify their policy. Not that a large part of the German people were not well aware of the difference between "Germany cannot pay" and "Germany will not pay," which was the cry of the National Socialists. But a glance at the effects of reparations on the financial and economic position of Germany makes it easy to understand the success of the National Socialists in this field.

In other respects the foreign policy of the National Socialists was not well defined. They profited from the fact that millions of German electors chafed at the delay at Geneva in initiating a policy of general disarmament. Their rejection of the Treaty of Versailles drove them into opposition to the Government's foreign policy. To the outside world, it is true, Hitler affirmed his respect for the treaties; but this was on a par with his assurances to his fellow-Germans that he would strive for power only by legal methods.

The attitude of the National Socialist Party to foreign politics was not the only source of its popularity. It had come to be also a focus for the anti-capitalist tendencies of the lower middle class.

It gathered to its fold the discontented of all parties ; it breathed hope into the impoverished and presented itself as a deliverer to members of the middle class who had been ruined or were threatened with ruin. In addition, numbers of the non-Marxian working class, of famished peasants, artisans and employees, and also of salaried people whose incomes had been reduced, turned to that party which criticised the existing Government most vehemently and promised most loudly that " everything would be different."

The extent of the success of the National Socialists and of the progress of extremist views among the German people may be illustrated from the election results in certain districts. (It should be borne in mind that at the Reichstag elections of September 14, 1930, the National Socialists received 18 per cent, of the total vote, the German Nationalists who were allied with them 7 per cent., and the Communists 13.1 per cent. Thus the Right Opposition obtained 25.3 per cent, of the votes, and the extremist parties together 38.4 per cent.).

In the election for the Diet of Oldenburg in May, 1931, the National Socialists obtained 37.4 of the votes, the German Nationalists 5 per cent., and the Communists 7.1 per cent. Thus the Right Opposition obtained 42.4 per cent., and the extremist parties together 49.5 per cent, of the votes.

In the elections at Hamburg in September, 1931, the National Socialists polled 26.2 per cent, of the votes, the German Nationalists 5.5 per cent., and the Communists 21.9 per cent. ; i.e., 31.7 per cent, of the votes fell to the Opposition of the Right, and 53.6 per cent, to the extremist parties altogether.

In the elections to the Diet in Hesse in November, 1931, the National Socialists polled 37.1 per cent, of the votes, the German Nationalists 1.4 per cent., and the Communists 13.6 per cent. ; i.e., 38.5 per cent, of the votes went to the Opposition parties of the Right and 52.1 per cent, to the extremist parties altogether.

It should be noted that these figures are for non-Prussian districts. In Prussia conditions were more stable and extremist propaganda made less headway. In a referendum which was taken on August 9 on the question of dissolving the Prussian Parliament before its term expired, only 36.8 per cent, of the votes were cast, although in addition to all the Opposition parties the German People's Party and the Economic Party also supported the plebiscite. The great divergency of political sentiment in different districts of Prussia itself was shown by the fact that in some parts of East Prussia over 50 per cent, of the electorate voted for the dissolution of the Prussian Parliament, whereas in the Catholic districts of the Rhineland and Westphalia the proportion was only 16 to 25 per cent.

The extremist movement of the Right found its culmination in 1931 in the conference opened on October 11 in the tiny central

German town of Harzburg, which was attended by delegates from all parts of Germany, including not only National Socialists, members of the *Stahlhelm*, and German Nationalists, but also some leading figures of the mercantile world, among them the former President of the *Reichsbank*, Dr. Schacht. The conference passed the following resolution :—

" We demand immediate elections for replacing the present superannuated Parliaments, especially in the Reich and in Prussia. With the fullest sense of responsibility we declare that the Associations which constitute the national Opposition will in the impending disturbances protect the life and property, the homes and positions of those who openly proclaim themselves members of one nation with us, but that we decline to defend with the sacrifice of our blood the present Government and the present ruling system. We demand a restoration of the German right to self-defence and equality of armament. We make these demands as one man, and declare outlawed anyone who seeks to break our front."

Such declarations were not calculated to diminish the mass of the unruly elements which widespread impoverishment and especially unemployment had generated in the German body politic. Even without the incitements of the National Socialists and the Communists, the police authorities would have found it difficult enough to nip in the bud the frequent attempts at disorder and pillage. A constant source of unrest was provided by the army of unemployed, which at the end of the year amounted to 5,500,000. The allowances for the workless were frequently altered and were reduced almost below the subsistence level. The lowest figure to which the number of unemployed fell was 4,000,000, in July 1,500,000 over the lowest figure for 1930 and 2·8 millions over that of 1929. This figure gives Germany an unenviable precedence over all other countries suffering from this calamity. Unemployment relief cost in 1931 about 3 milliards of marks—more than the total brought in by the taxes on wages in the good years.

The disastrous turn of events in 1931 followed close on the collapse on May 11 of the Austrian Credit Anstalt, the repercussions of which were not felt in Germany only. The project of an Austro-German Customs Union met with such violent opposition—especially in France—that a catastrophe became imminent; and the combined effort subsequently made by the European Governments and banks came too late to avert it. From the middle of May foreign creditors began to call in their loans from Germany to an unprecedented extent. The dangers of the high short-term foreign debt, which had grown up as a consequence of the loss of the war, the German lack of capital and the reparation obligations, had been pointed out long before the outbreak of the crisis. The banks had passed on the greater part of the money which had been borrowed for short terms from abroad to mercantile borrowers and public bodies in Germany

as long-term loans, and they were not prepared for sudden withdrawals on a large scale. The danger lurking in such conditions had already been exhibited by the earlier withdrawals, which had followed the political nervousness caused by the reparation negotiations in 1929 and the elections in September, 1930. Yet no precautions had been taken, although a decline of confidence abroad was to be expected as a result of political developments in Germany.

In 1929 the short-term foreign indebtedness of Germany increased by a full milliard of marks. In 1930 deposits and withdrawals almost balanced. In 1931 the Layton report, after heavy repayments had been made, estimated the short-term foreign debt as being still 12 milliards of marks, and the long-term at 11·5 milliards : to this was to be added about 5 milliards of foreign deposits in Germany, giving a total indebtedness of 28·5 milliards. To set against these debts there were, according to the Layton report, about 9·7 milliards of marks of German deposits abroad.

As ill-luck would have it, just at the time when the foreign debts threatened disaster to German finances, the largest German textile manufacturing firm collapsed. The North German wool-combing and yarn spinning firm of Lahusen Brothers in Bremen certified a loss of 200,000,000 marks. At the same time the Karstadt General Store concern found itself in debt to the bank for 75,000,000 marks. Confidence in the stability of German commerce received a new shock, as prominent German and foreign banks were interested in these undertakings.

Through withdrawals of credits from abroad the Reichsbank alone lost in the first ten days of June 550,000,000 marks in gold and bills. On June 7 the Chancellor, Dr. Brüning, and the Foreign Minister, Dr. Curtius, visited Chequers to discuss with Messrs. MacDonald and Henderson the dangerous plight of German finance. On June 19 the President of the United States proposed a moratorium of one year for reparations. Nearly three weeks elapsed before France fell in with this idea. In the interval the enthusiasm kindled by the Hoover Plan had cooled down, the boom had spent itself, the withdrawal of foreign securities from Germany had been resumed, and the Reichsbank's note-cover was reduced to its legal minimum.

A last attempt to save the situation was made on July 7 by a thousand of the larger German business undertakings, which declared themselves ready to guarantee the Gold Discount Bank against possible losses up to a total of half a milliard of marks. This step, it was hoped, would check further withdrawals of credit from abroad. This object was not achieved. On July 9 the President of the Reichsbank, Dr. Luther, travelled to London, and on the next day to Paris, but it was too late for comprehensive measures of relief, and France had not sufficiently realised the

nature of the catastrophe, which was regarded there more as a display of bad will than as a collapse of German finance.

On July 12 the German Government decided to sacrifice the Darmstadter- und Nationalbank (Danatbank). The idea was to allow the large bank with the least liquid assets to fall, and so isolate the crisis by concentrating it at one point. This step proved to be a serious mistake. The Government's declaration that it would assume responsibility for all the debts of the Danatbank did not avail to maintain confidence. On July 13 there was a run on all banks and savings-banks, which were quite unprepared and had for some time been scantily provided by the Reichsbank with means of payment. For the first time in German history, general bank holidays had to be introduced, and it took fully three weeks before gradually and step by step regular payments were resumed. The majority of the German banks were now largely dependent on subventions from the Government. To assist the Dresdner Bank, the Government took up 300,000,000 marks of its preference shares. The Government also had to come to the assistance of the public banking institutions in the Provinces, the municipal savings-banks, and numerous credit co-operative societies. This assistance from the Reich entailed a considerable reorganisation of the banks and the creation of new machinery of supervision, so that at the end of the year one could almost speak of the nationalisation of German banking.

From the beginning of June to July 13, Germany repaid 3 milliards of marks of foreign credits. In the period between July and December a further 1 to 1.5 milliards was repaid, so that in the course of the year the total short-term foreign indebtedness of Germany was reduced by almost a third. Commenting on these figures, the October Bulletin of the Chase National Bank pointed to Germany's "record of good faith as a debtor." The repayments were made possible only by great sacrifices on the part of the German mercantile world. For a considerable time German business could obtain no banking credit at all, and later only at an interest of 10 to 15 per cent. The gold stock of the Reichsbank amounted in December, 1930, to 2,216,000,000 marks, and in December 1931 only to 985,000,000 marks. In the same period the value of the foreign bills held by the Reichsbank fell from 469,000,000 to 170,000,000 marks, and the note circulation from 4,779,000,000 to 4,512,000,000 marks. The note cover fell from 46.4 to 25.6 per cent. The total of the bills of exchange in the hands of the Reichsbank rose from 1,983,000,000 marks at the end of May to 4,211,000,000 marks in November.

Once the crisis had become unmistakable, the pace of international relief action was somewhat quickened. On July 17 Dr. Brüning and Dr. Curtius proceeded to Paris, and on July 20 to the Ministers' Conference in London, where certain positive results were achieved, namely, that a rediscount credit which

had been granted to the Reichsbank was extended, and a committee of the Note Banks was appointed to examine the question of transforming short-term into long-term debts. On July 25 the negotiations were continued in Berlin with the U.S. Secretary of State, Mr. Stimson, and on July 27 with Messrs. MacDonald and Henderson. As a result of these negotiations, a committee of the Bank for International Payments was formed in Basle to consider the question of a "standstill" agreement between Germany and her foreign creditors. An agreement to this effect, limited to six months' duration, was reached on August 18. By this means, Germany obtained a breathing-space without being compelled officially to declare a moratorium. When the question came to be considered of prolonging the "standstill" agreement beyond February 29, 1932, the conviction became widespread in Germany that postponement of payment for a long period was indispensable.

During the critical weeks in July, which played havoc with German finances, the internal political tension and the hostility to the Cabinet continually increased. Both National Socialists and Communists triumphantly proclaimed the "end of capitalism." When after the visit to Berlin of the French Ministers Laval and Briand in September the crisis overflowed the German frontier, the anti-capitalist propaganda became more intense than ever.

The effects of the crisis were most marked on the Stock Exchange, and in the money and security market. After a brief rise in the spring, the rate of interest fell to 4 to 5 per cent., its lowest level since the war, but by the end of June the rate for daily money had risen to 11 per cent. In the middle of July the Reichsbank fixed the discount rate at 10 per cent., and at the beginning of August at 15 per cent. Reductions were made only slowly, and in part by forcible methods of doubtful wisdom. Towards the end of the year, day to day money still cost in Germany 8 per cent., more than six times as much as in Paris. The market for securities ceased to exist. The Stock Exchange was closed in July. When it was reopened in September, quotations for German shares were on the average 30 per cent, lower than in the first half of the year. The English currency crisis brought the Stock Exchange again to a standstill; the publication of share quotations was forbidden by an emergency decree. The average value of shares in December was estimated to be 45 per cent, of the par value. In December, 6 per cent. German loans were quoted in New York at under 20 and the Young loan at 25; a first-class German share like that of the I.G. Dye Industries fell in Amsterdam between April and December from 160 to 61.

The Consulting Committee of the Bank for International Payments in Basle, which on the request of the German Government had met in November, fixed 100 as the index figure for German industrial production in 1928, and on this basis estimated

the figure for 1929 at 101, for 1930 at 86, and for the first half of 1931 at 66. This means that a third of German industrial life had become paralysed. Business was reduced to the level of the beginning of the century. In the course of 1931, 17,000 German business firms failed. The monthly average of certified bankruptcies was in 1931, 1,120; in 1930, 945; in 1929, 821; in 1928, 665. In addition, on an average 670 firms made an arrangement every month with their creditors. Coal production was about 12 per cent., iron and steel production about 34 per cent, under the figures of the previous year. The building industry was the one hardest hit by the crisis, there being very little building of dwelling houses, and none at all for public bodies and business firms.

Through the decline in the inflow of capital, Germany had been compelled even in the previous year to cover the amortisation and interest on the foreign debts and the payment of reparations principally from the surplus of her trade balance. In 1927 and 1928 the balance had been adverse to the extent of 2·8 and 1·2 milliards of marks respectively. In 1929 imports and exports balanced, and in 1930 there was an excess of exports of 1·8 million marks. In 1931 the favourable balance amounted to 3 milliards of marks. Thus while the quantity of world trade remained stationary, Germany's share in it was doubled. In 1931 Germany was the leading export country, and through this it was able to repay 5 milliards of marks of its debts and up to the summer of 1931 to meet its reparation obligations.

Towards the end of the year, through the after-effects of the crisis, Germany's market rapidly contracted. France fixed import quotas in August, and in September Poland, with whom Germany had been carrying on a customs war for six years, increased her duties on manufactured goods. Italy, France, and Holland followed with tariff increases, and Switzerland denounced the trade Commercial Treaty, and finally England imposed emergency duties, which particularly hit German specialised imports. Every country began to erect round itself a tariff wall which made it more difficult for the debtor countries to repay their debts, in so far as the repayment could only be made through the export of goods. As Dr. Briining declared in an address to the American Chamber of Commerce in Berlin on December 12 : " Either we are allowed to export, in which case we will pay ; or we are prevented from exporting, in which case the payment even of political debts becomes impossible to us. The time for illusions is past."

As a result of the protectionist agricultural policy, the cost of living in Germany fell during 1931 by only 6 per cent., although the prices of raw material in the world market were halved. While the cost of living was still a third above the pre-war level, salaries were brought by a reduction of 20 to 30 per cent, down to

the level of 1914, and in some cases even lower. Wages agreements were cancelled, and wages were reduced on an average by 18 to 20 per cent. These reductions in income made the numerous increases in taxation which were imposed by emergency decree all the more burdensome. Duties on tobacco and sugar were raised still higher, and a further screw was given to the income tax by additions for single persons and the imposition of a crisis tax. Finally the turn-over tax was increased by 135 per cent, for 1931. The report of the Consulting Committee of the Bank for International Payments stated that the burden of taxation in Germany was so heavy that there was no room for further increase.

Thanks to the emergency decrees with their drastic reductions of the expenditure of all public bodies, money could still be found at the end of the year for carrying on public services. At the cost of great sacrifices, especially on the part of the municipalities, it was found possible to continue the distribution of unemployment benefit.

The most drastic step effected by the emergency decrees was the mobilisation of foreign bills and the prohibition of the export of capital. Germany could not refuse to satisfy the claims of foreign creditors and at the same time permit Germans to deposit their assets abroad. The foreign assets in possession of Germans, so far as they consisted of foreign bills and bank deposits, were sequestered; all foreign bills and claims abroad exceeding 200 marks had to be reported and exchanged for marks. The result was meagre—only some hundreds of millions of marks. Finally, the December emergency decree laid down protective measures for the whole of German landed property against mortgaging and foreclosing. Rates of interest for current mortgages were also compulsorily reduced. A reduction in rents was decreed by the Government, and further measures were announced for lowering the cost of living. Thus by the end of 1931, extraordinary restrictions had been placed upon the freedom of commercial activity in Germany. The Government had rudely interfered with the liberty of contract and occupation, and had overthrown principles of law which seemed impregnable.

AUSTRIA.

Austria, whose troubled record had of recent years dealt chiefly with internal political dangers due to the incessant threats of a *Heimwehr* (Fascist) rising and the resultant clashes with Socialists and Republicans, re-entered the international arena, as a harbinger of disaster in 1931. The announcement in Vienna, on March 20, that an agreement had been signed between the Austrian Vice-Chancellor and Foreign Minister, Dr. Johann Schober, and the German Foreign Minister, Dr. Curtjurg, to form

an Austro-German Customs Union proved a political bombshell. French hostility resulted in the withdrawal of short-term money from the largest Austrian bank, the Credit Anstalt, thereby revealing the totally unsuspected weakness of this institution. The Credit Anstalt collapsed, precipitating the outbreak of the world crisis as indicated by the collapse of the Danatbank in Berlin, and the General Credit Bank in Hungary, the abandonment of the gold standard in Great Britain, the Hungarian moratorium and the institution of drastic financial restrictions in a score of States.

The year dawned stormily in January with *Heimwehr* and National Socialist rioting (including an attempt to burn down a cinema) against an American war-film, which the Government was forced to ban at the demand of these extremist elements. On January 24 the local Socialist Government of the Federal State of Vienna was forced to yield to the Federal Government 35,700,000 Schillinge (1,050,000l.) of her share of the Federal revenues from taxation. This marked another partial victory for the anti-Socialist agitation of the *Heimwehr*, who sought to cripple the Vienna Municipality's schemes for building model housing blocks for the workers. The Socialists failed in their parallel retaliatory attempt to force the reduction of military expenditure by the State, which, they proved, maintained nearly one officer or N.C.O. to every private soldier (10,000 of the former to 12,900 of the latter) in the Army, at a cost which had risen from 70,000,000 in 1926 to 109,000,000 Schillinge in 1931.

On February 13 the Government was twice defeated on two issues, in which it adopted a purely Clerical attitude. Firstly, it refused to assimilate the Austrian (Canonical) marriage laws to those of Germany so as to allow of divorce, and, secondly, refused to reform the system of public education in the Federal State of Burgenland, which is entirely in the hands of the priests. The Government decided that it was not necessary to resign.

There were several indications during the year of the continued use, by Balkan factions, of Vienna as a convenient battlefield whereon to pursue their feuds. On the night of February 20 a determined attempt was made by political enemies to assassinate King Zog of Albania (who was spending some weeks in Vienna) as he was leaving the Opera House. The would-be assassins (Albanian officers pursuing the national blood-feud custom, who accused King Zog of selling their country to Italy) fired a score of bullets which killed the King's A.D.C., Major Toppolaj, and seriously wounded the Court Chamberlain, Colonel Libohova. The trial of the assailants (Gjeloski and Cami) began on October 30, and resulted in sentences of seven and three years' imprisonment. The anti-Yugoslav Croatian *emigres* (who, as potential supporters of the Habsburg dream of the creation of a great Catholic Monarchy to include Croatia, receive the protection of Vienna Clerical

circles) were nearly the **victims of** a similar outrage. **On March 14 Vienna** police arrested three armed Serbs (furnished with false documents, later shown to have been procured from the Zagreb police) in the doorway of the house occupied by M. Percjc, one of the Croat *emigre* leaders, where they were waiting to shoot him down.

On March 3 the German Foreign Minister, Dr. Curtius, arrived in Vienna on what was understood to be a three days' visit of courtesy, at which views concerning minor questions of economic policy would be exchanged. In point of fact, his visit was for the purpose of drafting and signing an agreement between the two countries to form a Customs Union at the earliest possible date ; the step was taken, as Dr. Schober subsequently declared, on Austrian initiative. The pact was kept a secret; both the Czechoslovak and the French Minister to Austria inquired of the Foreign Office what the visit of Dr. Curtius really meant, but they were assured that it was unimportant and need cause them no concern.

According to the statement made by Dr. Schober to foreign correspondents on March 30, it had been intended to announce the conclusion of this Pact at the meeting of the Pan-Europe Commission in Paris in May. Later it was decided not to try to keep the secret for so long, but to make the first announcement inconspicuously in Vienna the day before the meeting of the Preparatory Committee of the Pan-European Commission, which had been fixed for March 21.

So unobtrusively was this done on March 20, that for twenty-four hours other countries failed to realise that anything important had happened beyond an underlining of the pious pronouncement made during the visit of Dr. Curtius. On that occasion Dr. Schober had said that Germany could not be excluded from any regional agreement entered into on the lines of M. Briand's proposals by Austria. The Protocol between Austria and Germany provided that the two countries agreed to enter into a Customs Union which other countries who wished to do so could join. There was to be no common tariff parliament, no subordination of the economic independence of the one to the other, and both countries were to retain their full sovereignty. The same external duties were to be collected at the frontiers of each country and divided according to an approved ratio. Austrian industry was guaranteed protection against German domination by the maintenance **of** moderate interim internal duties. It was recognised that the negotiations for settling the practical details, which were at once **instituted**, would take a long time, and the customs union was not expected to come into force for over a year. International law, it **was** claimed, did not consider a customs union any violation of most **favoured** nation treaties.

A storm of protest came at once from France and **her** Allies.

Even before the text of the agreement had been published, the French and Czechoslovak Ministers in Vienna (joined less actively by the Italian Minister) protested that the proposed Customs Union violated the Treaty of St. Germain and the Geneva Protocols of October 24, 1921. The latter Austria had to sign in order to obtain her Reconstruction Loan; in them she promised not to surrender her political or economic independence for the duration of the loan. The gathering storm was lulled by the pacific proposal of the British Foreign Secretary, Mr. Arthur Henderson, that the new Pact should be examined by the League of Nations to see whether it infringed the Geneva Protocols or the Treaty. Austria and Germany agreed, stipulating that there should be no political inquisition. Dr. Schober insisted that there was no political arrangement contemplated. In Vienna any mention of that red rag to the French bull "*Anschluss*" (Austro-German union) was carefully avoided. The promoters of the Customs Union, however, were one and all the most fervent adherents of the *Anschluss* plan; it is obvious that within a few years of the Customs Union coming into operation, the two countries, whose military, educational, and legal systems have since the war been slowly and deliberately made to work along parallel lines, could have pulled up the political frontier posts overnight without anyone being much the wiser.

Austria claimed that the Customs Union was to initiate two complementary state *blocs*—Germany, Austria, and Czechoslovakia on the one hand as the industrial, and Rumania, Hungary, and Yugoslavia on the other as the agrarian entity. Great hopes were set on the Customs Union proving a life-line to Austria in the sea of economic and financial difficulties on which she had kept precariously afloat for years. She gave a promise to create no *fait accompli* before the verdict of Geneva was known, but pushed ahead meanwhile with the drawing up of inter-state tariffs. A number of Austrian industrial concerns showed signs of alarm lest they would be unable to withstand competition from Germany; they were encouraged to complain by French and Czechoslovak influence from abroad, and by the ultra-Clericals and supporters of the Habsburgs at home. But Austrian public opinion was generally strongly in favour of the scheme and particularly resented the French charges of "bad faith." Austria claimed that if the Foreign Ministers of two countries were to be charged with bad faith for agreeing at some future date to make an economic arrangement between their two countries without inviting all Europe to attend the discussion, it was *ipso facto* an absurdity to talk of their having any "independence" to sacrifice. On May 11 interest in the Customs Union project was submerged in the alarm caused by the statement of the Chancellor, Dr. Ender, that the Credit Anstalt, the largest bank in Austria, was in financial difficulties. Less than two years

previously the Credit Anstalt (with which the Rothschilds were associated) had, at the Government's request, come to the rescue of the Bodenkredit Anstalt, the second largest bank, and absorbed it to prevent it from having to close its doors. Now the Credit Anstalt itself needed assistance and asked the Government to furnish it. The Credit Anstalt financed about three-quarters of Austrian industry, which to a great extent it owned, and had some 800,000,000 Schillinge of foreign money, largely British, in its hands. The bank had lost 140,000,000 Schillinge during 1930—nearly the whole of its share capital of 160,000,000 Schillinge. A steady drain of deposits began next day. On May 14 the Chamber authorised the Government to borrow 100,000,000 Schillinge to be devoted to rescuing the Credit Anstalt and a further 150,000,000 Schillinge as a reserve. The National Bank also supplied 30,000,000 Schillinge, of which 12,500,000 were invested in Credit Anstalt shares. The old share capital was reduced by 25 per cent, (although nearly 100 per cent, of it had been lost). The Government rejected a Socialist motion calling for the prosecution of those responsible.

The news that an influential Creditors' Committee, on which were Sir Robert Kindersley, Sir Otto Niemeyer and other prominent financiers, had been formed in London to deal with the affairs of the Credit Anstalt, was greeted in Austria with facile optimism, and regarded as a sign that foreigners were once again coming to the rescue. In point of fact these creditors were concerned to protect their own interests, and four weeks of difficult negotiations ensued.

On May 18 the Austro-German Customs Union project came before the League Council, and on the proposal of Mr. Henderson it was agreed that the question of its legality under the Treaty of St. Germain and also under the Geneva Protocols should be submitted to the Hague Court of International Justice. Dr. Schober promised to take no further steps meanwhile towards realisation of the plan. On his return from Geneva the same pro-Habsburg circles which had stimulated opposition to the Customs Union plan in certain industrial concerns now accused Dr. Schober of "dishonouring Austria" by agreeing to its temporary suspension.

On May 26 the public learned that the steps taken to rescue the Credit Anstalt had proved insufficient. The bank's supply of foreign exchange was exhausted; the withdrawal of French short-term credits had given the impetus to the original crisis, and other foreign creditors had followed suit. When the withdrawals of short-term credits, starting from Paris, had reached this point, France offered to come to the rescue—on terms which would have made Austria her vassal. They included abandonment for all time of any idea of either the *Anschluss* or a Customs Union with Germany, and the submission of all future treaties

to the Quai d'Orsay. French financial action, however, had only precipitated, not caused, disaster for the Credit Anstalt. Foreign capital had been used for the development of industries outside Austria, gigantic salaries and pensions had been allotted to directors and their proteges, and the bank had been forced to keep on a number of useless employees—all this with the sanction of the Austrian Government, which, after the departure of the former League of Nations Commissioner, had in six years doubled national expenditure and increased the number of civil servants by 20,000.

The difficulties of the bank continued to grow for the next ten days, involving the National Bank and bringing about a Cabinet crisis. The British and American creditors offered to make a two-year standstill agreement for their short-term credits on condition that the State gave a full guarantee for the liabilities of the bank. On May 28 a Bill was passed by the Austrian Chamber empowering the Government to do this. Early in June the Austrian flight from the Schilling could no longer be disguised. British chartered accountants arrived to investigate the affairs of the Credit Anstalt for the satisfaction of the foreign creditors.

Rather than accept the French offer of assistance, conditional on political terms, Austria appealed to Great Britain, and at the eleventh hour was granted by the Bank of England a short-term loan renewable from week to week of 150,000,000 Schillinge (4,250,000*l.*) which saved her from the humiliation of complying with the French terms. The advance was made while Sir Robert Kindersley and other representatives of the foreign creditors were in Vienna negotiating concerning the future of the Credit Anstalt. The sum was for the amount of treasury bonds issued by the Austrian National Bank as cover for their first action to assist the Credit Anstalt. The Austrian Government gave a full guarantee for all the bank's foreign debts. Assistance came too late, however, to save the Government of Dr. Ender, who resigned on June 10 ; the advance was granted the same evening. His resignation was brought about by that of the Minister of the Interior, Dr. Winkler, leader of the *Landbund* (Agrarian Party), who resigned as a protest against the 500,000,000 Schillinge short-term credit guarantee given by the State to the foreign creditors of the Credit Anstalt. On June 19 it was officially announced that Monsignor Seipel would form the new Cabinet. He failed, and on June 21 Dr. Karl Buresch, a State official and Governor of Lower Austria, succeeded. Although at one time he actively supported the *Heimwehr*, Dr. Buresch, a moderate Clerical, was always essentially a man of compromise.

The next phase of the Credit Anstalt affair was the prolonged efforts of the foreign creditors behind the scenes to force through the economies which they considered necessary. The first step was the resignation of Herr Neurath, the Director-General, **and**

his replacement by Dr. Spitzmuller. On July 9 another Credit Anstalt Bill was introduced into Parliament and passed, after a sharp struggle with the Socialists and Pan-Germans. It provided for the dismissal of a number of the staff and for big reductions in salaries and pensions. On August 7 a Cabinet Council approved of the appointment of a Reorganisation Committee, presided over by Dr. Guertler, with Mr. Vivian Smith, Dr. Rist (of the Bank of France), Mr. Felix V. Schuster, and Mr. Schilder among its members. Mynheer van Hengel, of Amsterdam, was appointed adviser. On August 11 the Austrian Government appealed to the League to examine its economic and financial difficulties and to suggest remedies. M. Avenol, Deputy Secretary-General, and Mr. Loveday, Director of the Financial Section, were appointed by the League to proceed for the purpose to Vienna, where they arrived on August 17. Their report was not published, but a Dutchman, Dr. Rost von Tanningen, was appointed as their representative to advise the Ministry of Finance.

On August 28 Dr. Schober went at the head of the Austrian Delegation to Geneva to hear the Hague verdict on the legality of the Customs Union scheme. By a majority of one the Court decided that the proposal, while not contravening the Treaty of St. Germain, was contrary to the Geneva Protocols. In Austria this was considered a moral victory for the Customs Union, not only on account of the small majority, but also because the representatives of Great Britain, the United States, Japan, Germany, Belgium, Holland, and China found nothing illegal in the scheme, while France had to be contented with the backing of her allies, Rumania and Poland, then of Cuba, San Salvador, Columbia, and Spain, with Italy as the only Power on her side. The French held out for a surrender by Austria before the terms of the judgment were made known, and in the expectation that Austria would be rewarded by financial aid from France, Dr. Schober consented and renounced for the present any idea of proceeding with the scheme. The financial aid hoped for was not forthcoming. Both the renunciation and The Hague verdict had in any case a purely academic interest, for the Credit Anstalt affair and its finances had made it impossible for Austria to risk offending France further.

As if her constantly increasing financial misery was not enough to fill Austria's bitter cup, attempted revolution was added on September 13, when the Styrian section of the *Heimwehr* (Fascists) seized (in many cases with connivance of the local authorities) public buildings in a number of towns and proclaimed Dr. Pfrimer, an obscure Styrian lawyer, " Dictator " of Austria and " abolished " the Constitution. It appeared that the attempted rising, although discussed with Prince Starhemberg, Commander-in-Chief of the *Heimwehr*, and other *Heimwehr* leaders, was attempted prematurely by Dr. Pfrimer, who wished to " score off "

his colleagues and rivals. He calculated on the active co-operation of the local *gendarmerie* and troops, but although these handled the conspirators with velvet gloves and afforded them plenty of time to restore their hundreds of machine-guns and thousands of rifles to their stores, they did not actively co-operate, but remained in the affected areas until the *Heimwehr* had dispersed. The planned "march on Vienna" never began, as the rival *Heimwehr* group refused to co-operate, merely standing to arms. Several workmen were killed. Dr. Pfrimer fled to Yugoslavia. A number of participants in the rising were arrested, including Prince Starhemberg, but they were quickly released. It was evident from the first that no adequate penalties could be inflicted on the culprits. In most cases the charges of high treason were reduced to charges of illegal possession of arms; no one was put on trial for the killing of the workers. Even officials and *gendarmerie* officers who had taken part in the revolt were left unpunished, and in enjoyment of their posts. Too many people in high places, it was obvious, would have been compromised had the *Heimwehr* been rigorously dealt with. Dr. Pfrimer returned to Austria in December and was promptly acquitted of high treason on December 17. The trial and the general apologetic treatment of the *Heimwehr* left them a greater potential danger than ever. Prince Starhemberg and others redoubled their threats of revolution and defied the Government to disarm them; the Socialists replied by appeals to all good Republicans to enrol in the Republican Defence Corps. At the end of the year a repetition of the *Heimwehr* rising, this time on a more serious scale, seemed imminent. The Clerical patrons of the *Heimwehr* lost no opportunity of trying to persuade the powerful foreign creditors of Austria that they had everything to gain from a successful *Heimwehr* rising. Under pressure from the League, which had been asked to suggest remedies, the Government started to put through fresh national economies in December, and imposed additional taxation. The long-sought loan of 60,000,000 Schilling, however, did not materialise, although the re-discount credits owing to the Bank of England and the Bank of International Settlements were prolonged. The Directors of the Credit Anstalt were dismissed in October, and those regarded as free from blame re-engaged but made liable to dismissal at a month's notice at any time. Unpleasant disclosures concerning the manipulation of the Press in Austria were made in November, when it was revealed that the Credit Anstalt had spent two sums of 300,000 Schilling on subsidising the Press (including foreign correspondents) in order to secure favourable statements as to its situation. The money was distributed with the assistance of the Press Department of the Foreign Office. On November 25 Sir Robert Kindersley returned to Vienna to insist on a more realistic reform of the Credit Anstalt. He secured the abolition of the Recon-

struction Committee and the institution of an executive committee which would be under the control of the foreign creditors. Up to the end of the year, however, nothing had been done to end the drain of money into hopeless industrial undertakings which had for so long made the Credit Anstalt the biggest obstacle to Austria returning to solvency.

Under the revised Constitution which had been adopted under pressure of the *Heimwehr* two years before, a national referendum to elect the new President should have been held in October, when the term of office of Herr Miklas expired. To avoid the excitement and expense of this, however, it was agreed by all parties to adhere to the method of parliamentary election, as under the old Constitution. Herr William Miklas received 109 votes, the *Heimwehr* abstaining, Dr. Renner, the Socialist candidate, 93 votes. Herr Miklas became President for a further term of four years.

CHAPTER IV.

SOVIET RUSSIA — ESTONIA — LATVIA — LITHUANIA — POLAND —
DANZIG — CZECHOSLOVAKIA — HUNGARY — RUMANIA — YUGO-
SLAVIA—TURKEY—GREECE—BULGARIA—ALBANIA.

THE UNION OF SOCIALIST SOVIET REPUBLICS.

THE position of Stalin became stronger during the year 1931. There was no opposition to him at the Congress of the Republics of the Union held in March nor at any other of the governmental and party conferences. Questions of internal policy did not provoke much interest, all energies and thoughts being concentrated upon the great economic issues. The central question was whether the programme of the five years' plan (*piatilyetka*) would not be achieved even in a shorter period. At a conference of Soviet Economists held on June 23 Stalin delivered an important speech, which was published on July 5 under the title, "A new situation—new tasks of economic reconstruction." He drew attention to the perils which in his opinion were involved in a too hasty accomplishment of the five years' plan. He said that he had been rendered apprehensive by the speed with which the proposed scheme had been advanced in the decisive third year. He laid stress on the importance of applying sound economic and commercial principles to the management of the Soviet industries. He condemned the trend towards the formation of gigantic industrial enterprises, and recommended individual instead of collective administration of the factories, emphasising the importance of personal responsibility on the part of every director of a factory. Furthermore, he demanded that the specialists of the old regime should no longer be persecuted,

since their collaboration in the economic reconstruction was of the highest importance. He condemned the principle of equal wages for the workers hitherto adopted in Soviet industry without distinction between skilled and unskilled labour, maintaining that higher wages and better commodities should be offered as an inducement for higher-class work. In fact, the dictator advocated piece-work wages and premiums for skilled workers.

On the first view, the public was inclined to think that a new economic policy had been announced, that Stalin had betrayed communism and taken a step towards capitalism. A more careful examination of his declarations, however, showed that he had not proclaimed any "journey to Canossa," that he was not advocating a "neo-nep" movement, but merely criticising the forcible methods of industrialisation as he had criticised the forcible methods of rural collectivisation in 1930, and his aim was only to render industrial labour more efficient in order to ensure the achievement of the five years' plan.

Steps were immediately taken to carry out the proposals of the leader. The fund of wages for workers in the coal-mining and in the iron and steel industries was, on October 1, augmented by 30 per cent. It is still too early to say whether by these and other means the Soviet authorities will succeed in improving the quality of Russian labour. The organ of the Supreme Council of People's Economy, *Za industrializaciju*, of September 3, said: "We must confess openly that the results of the many years' struggle for high-class work are insignificant. The insane rush for quantity at the cost of quality is still continuing."

The Government made great efforts to abolish illiteracy among the masses. *Likbes*, i.e., the liquidation of *besgramotnostj*, as illiteracy is called in Russian, became one of the chief tasks in 1931. At the "Day of the School" held on June 1 in Moscow, a statement was made on the progress already achieved in that respect, and it was confidently declared that by January 1, 1932, there would not be any more illiteracy in the Union.

The trial of the Mensheviki (March 1 to March 9) aroused great interest both in the Union and beyond its frontiers. A group of leading officials, among them Groman, an important personality in the Presidency of the *Gosplan*, Scher, director of the State's Bank, and Sukhanov, of the Commissariat of Commerce, were accused of a counter-revolutionary plot against the Soviet Government. While the trial of Ramsin and his colleagues in 1930 had been staged (see ANNUAL REGISTER, 1930, p. 192) to show the connexion of a group of industrialists with the bourgeoisie of Western Europe, the trial of the Mensheviki in 1931 was intended to reveal relations of the Mensheviki with the Second Socialist International. Krylenko, who was then Attorney-General, asserted that the accused had entered into relations with the Mensheviki in Berlin and the Second International, with the

object of undermining the Soviet Government. The machinations of the accused, he said, had caused great damage to the Soviet economic system, but they had no support among the masses of the people. He demanded the death penalty for five of the accused, but the Court did not accede to this request. Six were sentenced to ten years' imprisonment, the others to eight or five years' imprisonment.

On the foreign policy of the Union, Molotov, the President of the Council of People's Commissaries, made the following statement at the Congress of the Soviets of the Union in March. The Soviet Government, he said, had accepted the invitation to co-operate in the Pan-European Commission. Relations with Germany had improved since the middle of 1930, relations with Italy were normal. Friendship with Turkey was closer. There were hopes that relations with Great Britain would change for the better, though the Soviet Government could not observe without anxiety the hostile declarations of some Conservative members of Parliament and of the English Press. Relations with Japan were friendly. No change had taken place in the Soviet policy of France. Relations with Poland were far from satisfactory. In the United States the anti-Soviet tendencies had gained in strength, and the report of the Fish Commission showed that influential American groups were inclined to head an anti-Bolshevik campaign.

On March 8 a treaty was concluded with Turkey for a reduction of naval armament, and on March 16 a new Commercial Treaty was arranged with that country. At the end of October Litvinov paid a visit to Angora. The Soviet Press made much of the event, and stated that the conversations of the Foreign Commissary of the Union with the Turkish statesmen Ismet Pasha and Tefwik Rushdi Bey were of a most cordial character. The Turkish-Soviet Pact of Friendship and Neutrality concluded in Paris on December 17, 1925, was prolonged for five years. The Union apparently sought to strengthen its friendship with Turkey in order to counterbalance the growing influence of the Greek Prime Minister, Venizelos, on Turkish policy.

The pact of non-aggression with Afghanistan was renewed on June 29. On June 24 the pact of non-aggression with Germany was prolonged for a further two years. It contained also a clause stipulating non-participation in financial and economic boycotts launched against either of the contracting countries.

At the meeting of the Pan-European Commission held in Geneva, Litvinov, the representative of the Soviet Union, protested against the insinuations made against the Union with regard to dumping. He proposed a general economic pact of non-aggression.

In Geneva, Litvinov had a conversation with M. Briand, and, on June 5, economic discussions between Russian and French

representatives began in Paris. The French Government annulled its decision of October 3, 1930, regarding imports of goods from Russia (so far as concerned dumping), though it was as far as ever from giving Russia any credits. A new French Ambassador, Count De Jean, was appointed in Moscow. It was reported in the Press that a pact of non-aggression had been signed between the two countries.

On November 21 Litvinov proposed to the Pob'sh representative in Moscow, M. Patek, the conclusion with his country of a pact similar to that which had been signed with France. The Polish Government, however, declared that the terms of the Franco-Russian Pact were not acceptable to Poland, and that it preferred the proposals made by the Soviet Union to Poland in 1926, with some modifications and additions. The Polish proposals sought to include in the agreement a pact of non-aggression with the other Border States, chiefly Rumania. The difficulties in the way of this were considerable, and nothing definite had been achieved by the end of the year.

Relations with Japan became strained as a result of the Manchurian conflict, Japan holding in its hands the Russian sphere in Manchuria, the district of the East Chinese Railway. The Soviet Government despatched several Notes to Japan in November, but without effect.

The Council of People's Commissaries of the Union was elected by the Congress of the Soviets of the Union held in March. The President of the Council was Molotov; Vice-Presidents Andreyev, Kuibychiev, and Rudsutak; and President of the *Gosplan*, Kuibychiev. The other principal members were: Foreign Commissary, Litvinov; Secretary for War, Voroshilov; Commissary for Foreign Trade, Rosenholz; for Transport, Rukhimovitch; for Transport by Water, Janson; for Posts and Telegraphs, Antipov; for Agriculture, Yakovlev; for Food, Mikoian; for Labour, Zikhno; and for Finance, Grinko.

Andreyev was appointed Commissary of the Workmen's and Peasants' Inspection, and Ordshonikidse, President of the Supreme Council of Economy. In the course of the year some changes were made. Rykov, former President of the Council of People's Commissaries, was appointed on March 30 Commissary for Posts and Telegraphs. The railway situation having become most serious during the year, the Central Committee of the Communist Party and the Council of Commissaries strongly condemned the inefficiency of the Commissariat for Transport, and the leading officials of the Commissariat were replaced by new men, Andreyev becoming Commissary, instead of Rukhimovitch, while Rudsutak was appointed Commissary of the Workmen's and Peasants' Inspection in place of Andreyev. Rudsutak is at the same time Head of the Central Control Commission of the Communist Party. He is thus one of the most influential figures after Stalin. He is

a strong supporter of the dictator, and like him not a Russian, being a Lett. Another important personal change was the replacing of Mesing, the lieutenant of the Head of the State Police, the "G.P.U.," who, owing to illness, could not carry out his duties, by Akoulov, a former official of the Workmen's and Peasants' Inspection, and a partisan of Ordshonikidse, the right-hand man of Stalin. By this appointment the Stalin group apparently sought to obtain influence in the "G.P.U.," which hitherto had been an independent and autonomous body in the Soviet State.

ESTONIA.

In the first week of February, the Ministry of M. Strandman was forced to resign, and on February 11 a new Government came into office, with M. Konstantin Pats, of the Farmers' Party, as Prime Minister. On February 12 the Diet passed a vote of confidence in the new Ministry by 54 votes to 17.

In consequence of increased Communist activity, the police in June made a raid in which they captured, according to their own account, the entire Central Committee of the illegal Communist Party, with sheafs of correspondence from the Third International and a quantity of firearms and ammunition. Several of the prisoners were found to have come from Moscow with false passports.

Britain's abandonment of the gold standard in September caused difficulties to Estonian banks, and in October the Government found it advisable to grant several of them a moratorium and also to place restrictions on the sale of foreign currency. Later in the year a State monopoly was introduced for the import of grain, flour, sugar, coal, naphtha products and other commodities, and the restrictions on the sale of foreign currency were made tighter.

LATVIA.

The Ministry of M. Hugo Celmins resigned in the middle of March, and was succeeded by a non-Socialist Coalition Government, with M. K. Ulmanis as Prime Minister and Minister of Foreign Affairs. At the triennial Parliamentary elections held in October the moderate non-Socialist parties somewhat strengthened their position at the expense of the extreme parties of the Left and Right Wings. In November a new non-Socialist Ministry was formed, with M. Skujenieks as Prime Minister and Minister of the Interior.

From early in the year Latvia found itself in financial difficulties, and in March the Bank of Latvia, which hitherto had been accustomed to grant credit very freely to many sorts of enterprises, decided with very little warning to reverse this policy.

The result was to cause great difficulties in commercial circles, especially to the rubber, spinning, and cellulose industries. As a result of the crisis in Germany in July, a couple of banks suspended payments, and most of the private banks thereupon placed severe restrictions on withdrawals of current accounts, which gravely handicapped trade. On October 8 the Government appointed a special Committee of five at the Bank of Latvia to control all transactions in foreign currency, and this nearly brought business to a standstill. Further, to redress the trade balance, the Government suddenly on October 13 established import quotas for a number of articles, including both manufactures and foodstuffs. The new Government which came into power in November drew up a programme of retrenchment and new taxation which included a 50 to 100 per cent, increase in income tax and a new turnover tax ; also the compulsory admixture of 25 per cent, of pure alcohol with all petrol and petroleum used by internal combustion engines, with a view to creating a market in the spirit industry for the peasants' potatoes. As a protest against the last measure, which meant a 30 per cent, increase in the price of petrol, all taxi-cabs and motor buses went on strike for six days at the beginning of December.

In the second week in June, the tenth birthday of the Latvian Fleet was celebrated with great pomp at Liepaja (Libau), where warships from seven foreign countries—Britain, France, Germany, Poland, Sweden, Estonia, and Finland—assembled for the occasion. This was followed by a great National Singing Festival at Riga, at which choirs in national costume carried out a three days' programme of folk-songs, Latvian music, and Latvian plays. After the Festival, a body of about 14,000 country people made a peaceful demonstration—the object of which was not apparent—outside the President's Castle, where they were addressed by the President, the Prime Minister, and other high officials.

LITHUANIA.

Throughout most of the year the Government was in serious conflict with the Christian Democratic Party, the organisation of the Roman Catholics. In the middle of January Dr. Karvelis, a prominent member of the party and a former Minister of Finance, was banished from Kovno and confined in a concentration camp for alleged complicity in Catholic agitation against the Government, and three students belonging to the party were banished at the same time. In February, M. Radzavicius, Editor of *Rytas*, the organ of the Christian Democratic Party, was arrested, and a number of other journalists were sent to the concentration camp at Vorny for publishing anti-Government matter. A little later, Bishop Rainis and other priests were prosecuted for criticising the Government in public speeches. The dissensions were

aggravated by Monsignor Bartolini, the Papal Nuncio, on his return to Kovno in April, and President Smetona gave him clearly to understand that he was not *persona grata*. Nevertheless, the Pope did not recall him, and accordingly on June 6 the Government expelled him on the ground of undue interference in the internal affairs of the country. In October, M. Radzavicius, the Editor of *Rytas*, was banished from Kovno, and the publication of the paper was suspended for three months. A number of students and priests were also prosecuted for carrying on an organised propaganda against the Government. The tension relaxed somewhat towards the end of the year with the arrival in Kovno of Mgr. Arrata as official representative of the Vatican.

Finding that imports were exceeding exports, the Government in October revised the tariff, greatly increasing the duties on several articles, including cotton goods. Soon after the country was threatened with a banking crisis due to public nervousness. The Government, however, restored confidence in the banks by offering its guarantee.

On May 6 a Protocol was signed in Moscow prolonging for five years the Treaty of Friendship between Lithuania and the Soviet Union concluded in 1926, Russia reaffirming its support of the Lithuanian claim to Vilna. In December the Government notified its intention to terminate the Trade Agreement with France on the ground that it worked out too much in favour of France.

In December M. Smetona was re-elected President of the Republic for a term of seven years. In August M. Valdemaras, the ex-Prime Minister, was brought to trial on a charge of conspiring for the violent overthrow of the Government and attempted acts of terrorism. He was acquitted and allowed to go abroad for two months.

In January a provisional Trade Agreement was signed with Estonia, and soon after five Conventions foreshadowed in the Commercial Treaty with Latvia were signed concerning schools, fishing, and other subjects. Numerous non-political manifestations of friendship between Lithuania and her sister Baltic States, Latvia and Estonia, such as visits of Press delegations and literary societies, took place at the beginning of the year.

POLAND.

The year 1931 was not marked by any striking events. The Cabinet resigned on May 26, and was reconstructed on the next day, Colonel Prystor, formerly Minister of Industry and Commerce, becoming Prime Minister in place of Colonel Slawek. The character of the Cabinet as a whole, however, was not altered. In November the trial was opened of eleven present and former Deputies of the Centre-Left Parties who were charged with having

organised a conspiracy against the Government in the summer and autumn of 1930, and with other seditious offences. They had originally been imprisoned in the fortress of Brzesc, but reports of their ill-treatment there aroused such a storm of popular indignation that the Government had seen fit to liberate them on bail in January, 1931. In Court they were allowed to make long harangues against the Pilsudski regime, which were also fully reported in the Press, but the trial did not greatly stir public feeling.

The chief concern of the Government throughout the year was to maintain the equilibrium of the Budget, which was endangered by falling revenue due to trade depression. The Budget for the year, the third reading of which was passed by the Sejm on February 13, balanced revenue and expenditure at 2,857,000,000 zlotys, a reduction of 84,000,000 zlotys on the estimates of the previous year. As, however, there was ground for fearing that revenue would not come up to the estimate, the Government was authorised in case of need to withdraw the 15 per cent, bonus paid to officials, which would render possible a saving of 200,000,000 zlotys in the year. In order to give the Government greater power to deal with any emergency that might arise, amendments to the Treasury Law were passed relieving the Minister of Finance of personal responsibility for expenditure in excess of estimates ; empowering the Cabinet to authorise such expenditure when the welfare of the country demanded immediate disbursements ; and giving the Minister of Finance liberty to transfer appropriations from one part of the Budget to another.

In the debates on the Budget, M. Matuszewski, the Minister of Finance, had stated that the Government would avail itself of its power to withdraw the 15 per cent, bonus only as an extreme measure. In fact, however, within a month after the passing of the Budget, the Cabinet cancelled the bonus of all State servants and pensioners as from May 1. The Finance Minister was rash enough to include Army pay in this economy without consulting Marshal Pilsudski (who at the time was still absent in Madeira), and this caused his downfall; in the new Cabinet of Colonel Prystor, he was replaced by M. Jan Pilsudski, a brother of the Marshal. Soon after, 10 per cent, of the 15 per cent, reduction was remitted to the Army and the police.

The first two months of the financial year, April and May, brought a deficit of 33,000,000 zlotys, and the Government accordingly decided that expenditure for the year must be reduced by about 400,000,000 zlotys. For this purpose it cut down the special bonus paid to public servants living in Warsaw, Silesia, and the coastal district to enable them to meet the higher cost of living there, withdrawing the bonus altogether in Warsaw and reducing it by half in Silesia and the coastal district. In addition it withdrew altogether the so-called building bonus granted to

technical officers such as architects and engineers. The alternatives to this course, as the Minister of Finance explained, were to reduce expenditure on the Army or to close a number of schools, neither of which could be contemplated. The reductions caused great discontent, and the Government was for a time threatened with a strike of railway and postal workers. On second thoughts, however, they decided that they had more to lose than to gain by such a step.

The economies effected by the Government proved on the whole sufficient for their purpose. In September the monthly deficit had been reduced to 8,500,000 zlotys, and by the end of the year the financial condition of the country had not been seriously impaired. In consequence of this and a favourable trade balance, the zloty remained stable, and Poland was one of the few countries which in 1931 retained the gold standard and placed no restrictions on dealings in foreign exchanges.

Early in the year the number of unemployed rose to 356,000, the highest figure since 1926, and it did not fall materially in the course of the year. In the autumn the Government made preparations for the relief of unemployment in the coming winter by forming a central committee under the aegis of the Prime Minister, and local committees in each province or industrial area, to find employment for those thrown out of work by the cold weather and to provide food and fuel for the destitute. Among the sources from which this was to be obtained were food and fuel distrained from defaulting rural taxpayers; foodstuffs seized as contraband; a higher income tax; and a tax on the fees of bailiffs and notaries.

In its first session of the year, which closed on April 1, the Sejm passed, besides the Budget, seventy-five Bills, of which the most important were a Liquor Amending Law, substituting Sunday morning for week-end prohibition; a law to abolish the last of the Russian limitations on Jews; and a law to establish a fund for the construction of high-roads. In April the Sejm met in special session to ratify two agreements for a lease of the Gdynia-Silesia railway to a consortium under French control in return for a French loan which would enable the line to be completed and opened for traffic without delay. The Sejm met again on October 1, and at the end of the month began to consider the Budget estimates for the ensuing year.

In March discussion was renewed in the Sejm on the draft Constitution drawn up by the Government in 1929. The Sejm referred the project to its Constitutional Committee, which decided to ask twenty-seven prominent lawyers and four Lawyers' Associations for advice and collaboration.

In the summer there was a revival of political crime in Eastern Galicia, the authors being members of secret military organisations which desired to replenish their war chests. The principal

victim was M. Holowko, one of the two Vice-Chairmen of the Governmental *bloc*, and the chief spokesman of the Government in its negotiations with the minority nationalities, by whom he was highly esteemed. He was murdered on August 29 at Truskaviec, while staying in a guest-house kept by Ukrainian nuns. The Ukrainian Parliamentary Party issued a manifesto strongly-condemning the crime, and pointing out that it had not yet been brought home to the Ukrainian nationalists. Soon afterwards, to cope with the increase of violent crime both in this and in other parts of the country, the Government gave orders for the introduction of summary procedure in criminal courts.

At the beginning of the year, Poland, according to general report, found some difficulty in persuading Rumania to renew the Treaty of Alliance and Mutual Guarantee between the two countries, the reason being that Poland desired from Rumania stronger promises of support against Russia than she was willing to give. In August Poland renewed the negotiations with Russia for a guarantee pact which had been commenced in the winter of 1926-27, and had since been revived intermittently. A certain amount of progress was made, but nothing definite had been concluded by the end of the year. On January 24 Poland signified its adherence to the Optional Clause. The Commercial Treaty and the Liquidation Agreement with Germany were ratified by the Sejm in March.

DANZIG.

On April 15 M. Strassburger, the Polish Commissioner in Danzig, handed in his resignation as a protest against alleged discrimination of Danzig courts in favour of Danzigers charged with violent assaults on Poles and Polish property, and the failure of the Danzig Senate to remedy the injustices or provide adequate protection for Polish citizens. M. Strassburger's resignation was not accepted by the Polish Government, which referred his complaints to the Council of the League of Nations.

In the autumn, Count Gravina, the League of Nations High Commissioner in Danzig, issued his ruling on the claim of the Free City (inspired by the development of Gdynia) that Poland should make full use of its port and harbour facilities. He decided that Poland ought not to increase the competitive powers of other ports against the Free City by preferential treatment, but that on the other hand, Danzig could not claim a monopoly of Polish sea-borne trade. He urged both parties to seek an agreement by an exchange of views.

The cover of the Danzig gulden, which had previously been in sterling deposits at the Bank of England, was legally changed into gold immediately after the abandonment of the gold standard by Great Britain.

CZECHOSLOVAKIA.

During 1931 the Coalition Government formed by Dr. Udrzal in 1929 from the Czechoslovak and German Bourgeois and Socialist Parties remained in power, completing its second year of office in December. The composition of the Government Parties, which formed two-thirds of the Parliament, did not alter, and the only change in the Cabinet occurred through the resignation of Dr. Englis, Minister of Finance, who in the spring, for reasons of health, had to give up the duties which he had performed for a number of years with marked success. His successor, appointed on April 16, 1931, was Dr. Karel Trapl, Governor of the Czechoslovak Postal Savings Bank. Like Dr. Englis, Dr. Trapl was selected from non-Parliamentary circles as a financial expert with a practical knowledge acquired by managing for many years one of the largest financial undertakings in the Republic, in close touch with the Government. This personal change did not involve any departure from the general course of financial administration, which aimed at maintaining the stability of Czechoslovak currency and balancing the Budget.

This year political activities were affected to a greater extent than in any previous year by economic conditions. The pressure arising from the world crisis tended, on the one hand, to modify the differences between the various parties in the Coalition, and on the other to compel the Government to concentrate its efforts to a greater measure than heretofore on the task of obviating, or at least mitigating, the economic and social effects of the crisis. This was the main item on the Government's programme as set forth by the Prime Minister at the beginning of the Parliamentary session (Feb. 4). For this reason the Government prepared schemes of public works and undertook to supplement from public resources the amount of private capital—which otherwise, owing to the crisis, would have been inadequate—available for profitable schemes of work. In this connexion excellent services were rendered by a State Commission set up at the very beginning of the year for the purpose of preparing and expediting all schemes of work undertaken from public resources. With the help of this body, as early as the middle of February, arrangements were made for supplies and schemes of work involving an expenditure of more than one and a quarter milliards of crowns. Before Parliament rose the debates on the Bills for waterways and water-power improvement funds had been concluded, and in the case of the Road Fund, the basic capital had been increased (by an increase of tax on petrol). To encourage foreign trade, a law was passed authorising State guarantees of export credits up to a total of 600,000,000 crowns for the first year, and through this law the Czechoslovak Republic came into line with other export States,

which had long since adopted similar measures for promoting their foreign trade.

The exceptionally difficult economic and financial conditions caused the financial authorities for the time being to abandon the principle, which had been adhered to for many years, of not increasing the national debt; in the spring a loan was floated on the home market for 1,300,000,000 crowns (rate of issue 95-75 at 5 per cent.). This loan was used for schemes of work, chiefly in connexion with the railways and other State undertakings, as well as to provide an advance for the Road Fund and other funds. One portion, amounting to 150,000,000 crowns, was allocated to meet the exceptional requirements arising from the general crisis. As this new credit was used mainly for the purpose of revenue-producing funds, it is expected that the new State Loan will not involve any considerable burden on the Budget. The Ministry of Finance was also authorised by Parliament to float a foreign loan of 50,000,000 dollars, but, in view of the opposition of some of the political parties, this was not proceeded with.

The violent crisis in the international credit system, which manifested itself in the second half of the year, had unfavourable effects on Czechoslovak conditions also, causing a considerable decline in the stock of foreign bills at the National Bank and a decline in the gold covering of bank notes. The Government therefore had to pay increased attention to the currency, and for its protection the financial authorities took various measures, such as restricting dealings in foreign bills and increasing the discount rate of the National Bank (from 4 to 5 per cent, in August, and to 6½ per cent, at the end of September, though at the end of December it was reduced to 6). As a result of these measures, the shortage of foreign bills was remedied at the end of the year, and the Czechoslovak crown maintained its position on the world markets and continued to be steady even at the most critical periods. In New York the Czechoslovak crown was quoted at slightly above its gold parity, round about 2-9625.

Industry in Czechoslovakia managed to weather the crisis without incurring any disasters, although, as the year wore on, its unfavourable effects were revealed more and more plainly in all directions. The year was exceptionally bad for Czechoslovak agriculture, in fact, in the case of the majority of farmers, the worst since the foundation of the Republic. In industry there was an increase in unemployment, which had been serious even in the previous year. It was most marked in the export industries, (glass, textiles, machinery, etc.) which in the later months of the year were adversely affected by the closing of foreign markets and restrictions on foreign bills. Foreign trade in 1931 showed a decline in turnover of about 8 milliards of crowns, but the surplus of the trade balance remained approximately at the same level as in 1930 (about 1½ milliards of crowns).

Difficulties in trade policy became specially acute in the second half of 1931. Nevertheless, new Commercial Treaties were negotiated with Yugoslavia as well as with Turkey, France, Austria, Switzerland, and Germany, though in most of these cases this did not involve more than a revision of the existing treaties. Commercial "relations with Hungary continued to be undefined by treaty.

As a result of the economic crisis, the State revenue in 1931 fell considerably below the estimate, while expenditure exceeded it, so that the final figures for 1930 showed a deficit of 666,000,000 crowns. Accordingly, the Budget for 1932 submitted in the middle of October was about the level of the Budgets between 1927 and 1930.

Economies were also effected by reducing the salaries of civil servants, as well as those of the President of the Republic, the Ministers, and members of the National Assembly. It was estimated that by these measures a saving of 210,000,000 crowns would be effected. A second measure taken for maintaining Budget stability was a surtax on incomes and royalties applicable to persons with a taxable income of more than 30,000 crowns on a sliding scale of 6 to 30 per cent.

The municipal elections which took place in 11,417 communities out of a total of 15,733 in September, showed that there had been no great change since the parliamentary elections in the relative strength of political parties; the party which was most successful in these elections was the Czechoslovak Agrarian Party, while the Czechoslovak Social-Democratic Party maintained its position as the second largest party, in spite of the discontent caused by the increase in unemployment and general economic difficulties.

In 1931, for the first time, the Vatican appointed Church dignitaries in Czechoslovakia with the sanction of the Czechoslovak Government, in accordance with the *modus vivendi* concluded in 1928 between Czechoslovakia and the Vatican. These appointments comprised an Archbishop for Prague, in succession to Archbishop Kordac, and three bishops in Bohemia and Moravia. These appointments were preceded by a Press campaign against the Papal Nuncio in Prague, who had incurred the hostility of the German Catholics on account of his action in forcing the resignation of Archbishop Kordac. The most important provisions of the arrangement with the Vatican, those which concern the delimitation of dioceses, particularly in Slovakia, have not yet been carried beyond the preparatory stage.

In the field of foreign affairs, Czechoslovakia was particularly concerned from the spring to the autumn by the projected Customs Union between Austria and Germany, which it regarded as a first step to the *Anschluss* and an infringement of the commitments undertaken and embodied in the Peace Treaties, in particular, those of the Geneva Protocol of October 4, 1921. Dr. Benes

denounced the project on the ground that it involved a menace to the peace of Central Europe and to the vital interests of the Republic. In this attitude Czechoslovakia was supported by France and the Little Entente, the customary conferences of which, held on this occasion at Bucharest from May 3 to 5, showed all the Little Entente States to be unanimous on this point.

HUNGARY.

By the end of 1930 the consequences of ten years' disregard of certain economic laws which had characterised Count Bethlen's regime were beginning mercilessly to unfold themselves. Superimposed as the }' were upon the general world crisis, they created an economic situation which led to serious manifestations of unrest at the very beginning of 1931, even amongst Count Bethlen's supporters. The anti-government speech of Count J. Zichy (Jan. 1), the formation of a new Agrarian Party under the leadership of the Conservative, G. Gaal (Jan. 15), the repeated criticisms and sullen opposition of some of the most influential members of the Government Party were signs indicative of its moral disintegration, which came inopportunately enough at a moment when Labour demonstrations (Jan. 14 and 28), the agricultural crisis, and important foreign deliberations called for the unconditional support of all Bethlen's forces. Meanwhile the proportion of the unemployed belonging to the industrial trade unions had increased to 18 per cent., and not the least sign of an improvement in the agricultural position could be detected, although to a delegation of smallholders who came to complain to him (March 30), Count Bethlen was bold enough to promise that " better times were coming."

The first means for bringing about the improvement were to be the impending economic treaty with Austria, stipulating a larger quota of agricultural exports and the law for the relief of agricultural properties (voted March 20), under which there was to be an issue of 100,000,000 to 120,000,000 pengos worth of bonds guaranteed by the State for the conversion of the mortgages of the landowners. Optimistic declarations, similar to those of the Premier, were also made by the Minister of Finance, M. Wekerle (March 19 and 28), stating that fundamentally the condition of the country was sound and that the impending conclusion of a long-term foreign loan would bring relief. These hopes were, however, hardly justified by the general state of the foreign financial markets, and still less by the report of the " supreme court of accounts " which stated (Feb. 10) that credits had been overdrawn to the extent of 61,000,000 pengOs for the financial year 1929-30. In spite of an undertaking by the Minister of Finance to reduce the deficit by 5 per cent., the publication of the Budget estimates for 1930-31 revealed (March 31) that for

the first eight months of this financial year they were already burdened by a deficit of 67,000,000.

It was under such distressing internal conditions that the Government had meanwhile to carry on its diplomatic activity. This consisted in an agreement with France (Jan. 9) regarding the reimbursement of the pre-war debts of Hungary ; in the difficult negotiations conducted by Count Karolyi, Minister of Foreign Affairs, in Geneva (Jan. 17), for reaching an understanding with other agricultural countries regarding the limitation of production and export quotas ; and in the preparation of the new Commercial Treaty with Czechoslovakia. The only bright spot at this period was, however, Count Bethlen's visit to Vienna on the occasion of the signature of the Arbitration Treaty with Austria (Jan. 27). This important step towards a *rapprochement* with Austria was, however, viewed with mistrust by the Little Entente, and reports appeared in its Press of a secret military agreement between Austria and Hungary, which was emphatically denied by the Austrian Chancellor, Herr Schober (Feb. 12).

As the good relations with Italy were still the corner-stone of Count Bethlen's foreign policy, Count Gy. Karolyi, Minister of Foreign Affairs, was sent to Rome on the occasion of the " Wheat Conference " (March 20) and the Minister of Commerce, J. Bud, a little later (April 8). As these visits coincided with the negotiations for the Austro-German Customs Union, a fear was expressed in the French and Little Entente Press that Hungary was seeking Italy's consent to its adhesion to the Union. These rumours were, however, officially denied by Count Karolyi.

As the pro-Italian policy of Count Bethlen brought no relief to the economic difficulties of Hungary, and threatened to isolate it politically, the old demands of the Liberal and Democratic Opposition for a closer adaptation of foreign policy to the realities of the economic situation were again brought forward, and this time were shared even by some of the most influential supporters of the Bethlen regime. Thus Count F. Hunyady—no doubt encouraged by the visit of Prince Nicolas of Rumania to Budapest (April 11)—advocated a *rapprochement* with that country and J. Bogyá one with France (April 29), while Count Apponyi emphasised the necessity of a general agreement with the Little Entente.

The discussion of the Budget by the House of Commons began (April 22), inauspiciously for the Government, with the defeat in Committee on two occasions of the Minister of Commerce, J. Bud. The debate continued throughout May amid riotous scenes of disorder, caused by the attacks of the Opposition and the counter-attacks of Bethlen's partisans. Many powerful and destructive criticisms were also levelled on this occasion against the financial policy of the Government. It was particularly pointed out that, with all due allowance for the consequences

of the world crisis which for Hungarian agriculture alone had resulted in a net loss of 500,000,000 pengos, the lack of foresight of the Government, its lavish expenditure and its mismanagement of the State enterprises (railways, mines, and agricultural and industrial undertakings) were largely responsible for the present state of affairs. Particular exception was taken to the fact that the outlays for the salaries and pensions of civil servants should have been allowed to attain the fantastic proportion of 53·3 per cent, of the total State expenditure. Nevertheless, as usual, the Budget was passed (May 30), thanks to the immense majority still at the command of the Government.

Nevertheless, the dissatisfaction amongst the smallholders belonging to the Governmental Party, who, apart from their economic requirements, demanded a more democratic form of government, soon led to such tension that in the opinion of all politicians new elections became inevitable. Count Bethlen at first pretended not to think so, but at last decided to appeal to the country (May 21). The electoral campaign began immediately with even more than the usual violence. All the efforts of the Opposition were, however, of no avail, and although in the electoral districts where secret ballot was allowed they could often maintain and even strengthen their position (as in Budapest where out of 25 seats they secured 17), the solemn promises of Bethlen (June 16) mollified the discontented elements of his party, and the Government again obtained an overwhelming victory (June 28).

The sittings of the new House of Commons opened on July 21. Its first act was to ratify the Austro-Hungarian Commercial Treaty, the advantages of which were obvious enough to secure its passage without much opposition. Discontent, however, exploded more violently than ever during the discussion of the Bill empowering the Government to decree all measures necessitated by the economic situation, which had meanwhile become critical (July 28). Coming as this did after the panic caused by the three days' closing of the banks by Government order (July 13) and the draconic measures for restricting foreign exchange and the free rise of bank deposits and foreign bills (July 16), it naturally caused a paroxysm of indignation which shattered confidence in the Government. The most positive assurances given by Count Bethlen of the conclusion of a foreign loan for 7,000,000l., which would, according to him, save the situation, were received with scepticism. Meanwhile, as the crisis grew more acute from day to day, even the Opposition had to consent to authorise the Government to take urgency measures. To give at least a constitutional appearance to the grant of such practically unlimited powers, a Parliamentary Committee of thirty-three members was elected to advise the Government and discuss its decisions (Aug. 2). At the same time a sub-committee of six was created to examine the State expenditure and to make proposals

for its reform. Meanwhile desperate efforts were made by the Minister of Finance, M. Wekerle, to obtain a prolongation of the foreign loans, and reassuring declarations were made by him that the stability of the currency would be defended at all costs. But even when a limited extension of the short-term loans was at last granted by the foreign bankers (July 25), it became evident that the stability of the currency could only be maintained by the immediate application of the most stringent measures of economy in the State expenditure. The Government in consequence had to propose a reduction of the salaries and pensions of civil servants (Aug. 2). Fearing no doubt the extreme unpopularity which he would incur through such a measure precisely amongst the most faithful of his followers, Count Bethlen again appealed to the Opposition to participate in the work of the Committee of thirty-three. Yet even in Conservative Parliamentary circles it was felt that this committee was too weak, and Count J. Hadik demanded (Aug. 7) the re-establishment of the direct control of Parliament. In answer to this and similar demands and criticisms, Count Bethlen emphatically declared that nothing was further from his intentions than the establishment of a Dictatorship. Nevertheless, Count Hadik redoubled his attacks the next day, accusing the financial policy of the Government of carelessness and illegality.

Meanwhile the restrictions which rendered payments in foreign bills almost impossible brought the whole foreign commerce of the country to a standstill, and the publication of the harvest results, showing an average deficit of 25 per cent, as compared with last year's already mediocre results, further deepened the spirit of pessimism. The new governmental decrees (Aug. 15) granting a moratorium for the repayment of agricultural mortgages, raising the embargo on bank deposits, and forcibly stabilising the currency by the creation of the gold pengft, were under these circumstances of no great assistance, and the credits made available through the creation of a "guarantee syndicate," and even the foreign loan of 5,000,000l. at last (Aug. 15) obtained in Basle (instead of the 7,000,000l. asked for), were only a drop in the ocean.

This was Count Bethlen's last act as Premier. Conscious of the growing distrust of the country and the constantly diminishing support of his party, daily made more noticeable by the bitter criticism of the committee of thirty-three, with the suddenness which usually characterised his decisions he unexpectedly tendered his resignation (Aug. 19).

It was not easy to find a successor willing to accept such a heritage, and it needed all the patriotic self-denial of Count Gy. Karolyi to induce him to undertake the formation of the new Cabinet. His choice was of itself something of a surprise, as he was a newcomer in politics, where according to many observers, both of the Opposition and the Government Party, his

merits did not extend beyond an extreme devotion to Bethlen and an honest mediocrity. It was also feared by Bethlen's fanatical adherents that, deprived of his persuasive personality, the Government Party would fall to pieces, and thus the strongest opposition against Count Karolyi's nomination came from them. Hence, after a first failure, it was only, thanks to Bethlen's energetic intervention, that he succeeded in forming a Cabinet (Aug. 23), composed as follows :—

Count G. Y. K/ROLYI	- - -	Premier and President of the Council.
L. WALKO	. . .	Foreign Affairs.
G. Y. GOMBOS	. . .	National Defence
B. TVADY	. . .	Agriculture.
G. Y. KERESZTES-FISCHER	- -	Interior.
S. ERNSZT	- - - -	Public Instruction and National Welfare.
B. KENEZ	. . .	Commerce.
T. ZSITVAY	. . .	Justice.
S. MAYER	. . .	Smallholders (without portfolio).

Owing to the impossibility of finding anyone to take over the Ministry of Finance, Count Karolyi had to accept this burden himself.

The first statements of Count Karolyi (Aug. 25), declaring that both in home and foreign politics his programme would be identical with that of the previous Government, were little calculated to win for him the sympathies of the Parliamentary Opposition, who demanded, on the contrary (Aug. 27), a radical departure from this course. They insisted first on a policy of strict economy, to be carried through in every detail of the State expenditure. This was to entail the suppression of double salaries (i.e., that no State employee should be allowed to draw more than one of his salaries or pensions when holding several positions), the dismissal of the political Secretaries of State and of the County prefects, reduction of the number of employees in the State undertakings, and the eventual sale or lease of those that did not pay, and above all, a general reduction of salaries and pensions. The tumultuous scenes which accompanied the statement of these demands, and still more the grave accusations brought by J. Teleszky, an ex-Minister of Finance, against the former regime, prompted Count Karolyi already at this first sitting of the House of Commons to ask for a vote of confidence. The majority credited the Premier with sufficient energy to take the necessary measures, and so the situation was saved, while the repetition of the danger was postponed through a two months' adjournment of Parliament.

There now followed a daily shower of decrees of which the principal were : a first reduction of the salaries of public servants (Aug. 29), an increase by 100 per cent, of the income tax of the employees of private enterprises (Sept. 7), increase of railway

rates (Sept. 10), a first reduction of the State expenditure as **proposed** by the Committee of six (Sept. 10), increase by 25 per cent, of the taxes on business transactions (Sept. 16), a general increase of **100** per cent, in the income tax (Sept. 19), severe penalties against those who did not declare their possessions in foreign money or foreign credits, which had to be put at the disposal of the National Bank (Sept. 19).

To justify these drastic measures, Count Karolyi had to admit publicly (Sept. 27) that the Budget deficit amounted to 150,000,000, the short-term debts to 300,000,000, and other debts to 100,000,000 peng6s, exceeding thus the most pessimistic forebodings of a public opinion kept until then in the dark.

This state of the public finances naturally had its repercussions upon the economic conditions of the masses, who gave vent to their dissatisfaction in a Communist plot (June 25), and repeated demonstrations of the unemployed (Aug. 19, Sept. 1 and 12), which although severely and immediately repressed, gave much concern to the Government. Other signs of the desperate economic conditions were the enormous increase of bankruptcy cases, the flooding of the large centres with beggars, and a wave of crime, culminating in the dastardly bomb attempt to blow up the viaduct of Biatorbagy (Sept. 12), which resulted in the loss of forty lives. The Government made this a ground—though according to the Opposition their real reasons were political—for declaring martial law, which, however, did not prevent a new wave of crime.

But this was not the greatest difficulty that Count Karolyi had to face, for, as was revealed by the investigations into the financial status of the different State departments conducted by the Committee of six (Oct. 1), the most stringent economies proposed by them were insufficient to re-establish the equilibrium of the Budget. This fact prompted the Government to request the League of Nations to examine the finances of the country (Sept. 25), not without some ulterior idea of obtaining a new loan. The report of the financial commission of the League sent for this purpose to Budapest (Oct. 5) confined itself, however, to placing on evidence the desperate plight of the country, and giving it some good advice how to work out its own salvation. This fiasco naturally did not render Count Karolyi's position easier. A group called "The Disinterested" was formed in the Government Party, and threatened to leave it (Oct. 8) if their demands for a radical reform of the public services and the existing system of taxation were not complied with. The attacks on the Bethlen regime—with which Count Karolyi had declared his solidarity—became more and more violent, and amongst the criticisms those of J. Teleszky, who meanwhile had become a sort of unofficial Chancellor of the Exchequer and financial dictator, were not the least venomous. Coming from such an authoritative source as a former

Minister of Finance of Bethlen, his statements greatly excited public feeling, and when the new session of Parliament was opened (Nov. 7) the Opposition demanded, amid indescribable scenes of disorder, the arrest and impeachment of Count Bethlen and his colleagues. Moreover, the insubordination amongst Karolyi's partisans now went so far that some of their speeches in the Houses of Parliament (Nov. 5 and 10) were practically Opposition attacks. The Bill for the reduction of the pensions of the civil servants also gave umbrage to the "Christian Party," which hitherto had supported the Government blindly. At the same time rumours were circulated that the Minister of War, M. Gombóts, desired to seize power and declare a dictatorship. This was, however, categorically denied by him (Nov. 25). Hardly were the apprehensions caused by such rumours allayed when a Fascist-extremist plot was discovered, in connexion with which forty persons were arrested (Nov. 29). Their programme was modelled on that of Hitler, and included the arrest of all the Ministers, as well as forcible expropriations and pogroms, but as none of the leaders had any real influence save General Schill, who committed suicide in prison, the storm soon died down.

In spite of all these difficulties and menaces, Count Karolyi proceeded stubbornly with the execution of his programme, and the fateful decree for the reduction of pensions was published (Dec. 1). The expected results soon showed themselves; the "Christian Party," headed by Count J. Zichy, immediately went over to the Opposition, while at the same time the Opposition members of the Committee of thirty-three resigned, leaving all responsibility to the Premier (Dec. 10); and then after a stormy meeting of the Government Party the Secretary of State, M. Stranyakovszky, resigned, as did also the Ministers Ernő and Mayer (Dec. 12). Under such conditions the position of Count Karolyi appeared scarcely tenable, especially as some of the most influential members of the Upper House also turned against the system of government of which he was the direct successor. But Bethlen came once more to his rescue, and, thanks to his powers of persuasion, it was found possible to reconstitute the Cabinet without the resignation of the Government. Thus in place of S. Ernő, M. J. Károthy was appointed Minister of Public Instruction, and the post of Minister for the Smallholders was altogether suppressed. Moreover, an important new accession was obtained in the person of Baron Fr. Károthy, who was persuaded to accept the Ministry of Finance (Dec. 19). His first decree, the "transfer moratorium" (Dec. 23), closed the year with a somewhat gloomy omen for the future.

RUMANIA.

Financial problems occupied the foreground of Rumanian history in 1931, and largely determined the course of interior policy. After having, in December, 1930, fixed the Budget for 1931 at 32,472,000,000 lei, the Government was informed by M. Auboin, the French expert adviser to the National Bank, that the revenue yield for the year could hardly be expected to exceed 30,000,000,000 lei. It was thus faced with a much larger deficit than it had anticipated, and in order to maintain the country's credit it decided, on M. Auboin's suggestion, to make a further cut in the estimates of 1,000,000,000 lei—no easy task, as drastic economies had already been effected in order to reach the original figure. The new Budget was naturally not popular, but Parliament had no alternative but to accept it.

In the meanwhile, negotiations had been opened at Paris for transferring to Rumania a second instalment of the Stabilisation Loan. Early in February, M. Popovici, the Minister of Finance, himself went to Paris, and there had interviews with M. Briand and other leading French politicians. On March 10, after seven weeks of negotiation, an agreement was concluded for handing to Rumania the second instalment of the loan, amounting to 10,600,000l. nominal value, of which the French share was 4,600,000l. The price of issue was 86 per cent., interest 7 per cent., and maturity thirty years. The loan was made conditional on continued foreign supervision of Rumanian finance for at least two years.

The terms of the loan, especially the stipulation with regard to foreign control, were highly unpopular in Rumania. The Governor of the National Bank of Rumania, M. Burilleanu, in his hostility to this proposal, had even made an attempt to wreck the negotiations, which brought about his own dismissal. M. Popovici resigned soon after his return to Bucharest. The Cabinet half-heartedly piloted the agreement through Parliament, in the face of a storm of protests, and it was ratified on March 19 after a long and noisy sitting. The loss of prestige caused by this incident was the last blow to a Government which had already lost the confidence of the country and was weakened by internal dissensions; and M. Mironescu accordingly resigned on April 4.

The King, even before this, had sought to put into effect his favourite idea of a "Government of Concentration," and with that object in view had, in the middle of March, summoned M. Titulescu, the Rumanian Ambassador in London, to Bucharest. M. Titulescu, after conversations with most of the party leaders, found himself unable to come to a satisfactory arrangement with them and returned to London. The King now sent for him again, and he once more essayed the same task, this time with better success. On April 17, after ten days of negotiation, he announced

the formation of a Coalition Cabinet composed of representatives of all the parties except the People's Party, led by General Averescu. This Cabinet, however, never assumed office. The King pressed M. Titulescu to include in it M. Argetoianu, a politician of somewhat sinister repute, who was regarded with great suspicion and dislike by the National Peasant Party. M. Titulescu refused, and as the King was insistent, he resigned.

The King thereupon requested M. Jorga, his old tutor and the Rector of Bucharest University, to form a Cabinet of personalities. M. Jorga carried out the task without delay, himself taking the post of Minister of Education and also of Minister of the Interior *ad interim*. M. Argetoianu entered the new Cabinet as Minister of Finance, and became thenceforth the dominant figure in Rumanian politics. Without attempting to obtain a vote of confidence in Parliament, the new Premier—at the instigation, it was said, of M. Argetoianu—procured a Royal Decree for its dissolution. This step was regarded in some quarters as a prelude to a dictatorship, but M. Jorga disclaimed any such intentions, and gave as his reason the fact that a number of the measures passed by the National Peasant Party Government during the past eighteen months had proved costly and ineffective and required to be modified. The elections for the Chamber were fixed for June 1, and those for the Senate for June 4.

The supporters of the new Government took the title of the Party of National Union, and M. Jorga in addition assured himself of the support of the National (Old) Liberals, the Transylvanian Saxons, and the Union of Rumanian Jews. In the course of the campaign, M. Argetoianu put into operation all the devices formerly employed under the Liberal regime for controlling the elections. The result was that in the elections for the Chamber on June 1, the National Union obtained 48 per cent, of the votes cast, and the National Peasant Party only 15 per cent. The poll was small, the number of votes recorded being 700,000 less than in 1928. In the allotment of seats, the Government Party obtained 197 places out of 387. The National Liberals obtained 90, and the National Peasant Party 27. In the Senate, the National Union obtained all the seats except three.

In his speech from the Throne, delivered at the opening of the new Parliament on June 15, King Carol appealed to members to put an end to the period of dissension and inaugurate one of fruitful co-operation. He emphasised the need of simplifying the system of State administration, of reducing expenditure, of fostering State enterprises, and of reforming the system of taxation. The Government, he said, would devote special attention to agriculture, and would stabilise land tenure by completing the land reform scheme. In foreign affairs, the established policy of collaboration with the Allies would be adhered to. This declaration satisfied the Old Liberals, and they showed

themselves willing to support the Government so long as it did not violate Liberal principles. Hence the Government had no parliamentary difficulties for the greater part of the year. There were rumours during September of a disagreement between M. Jorga and M. Argetoianu, but it was smoothed over, largely, it was said, through the intervention of the King.

The new Minister of Finance found himself faced with the prospect of a serious Budget deficit, the revenue receipts for the first half of the year having been about 3,000,000,000 lei less than those for the corresponding period of 1930. Accordingly he drafted in July an amendment to the Budget, providing for a whole series of drastic economies. In framing the estimates for 1932, he cut down ordinary expenditure to 25,429,000,000 lei, at which figure it balanced with ordinary revenue. There was besides an extraordinary Budget comprising all items of productive investment, and showing an expenditure of 11,69,000,000 lei and revenue of 3,989,000,000 lei. The finance Bill embodying these proposals was passed without alteration by the Chamber on December 11. As a result of the balancing of the Budget and a declaration by the Government that there would be no moratorium for foreign debts, the currency remained stable.

The drastic economies of M. Argetoianu naturally provoked widespread discontent, which was not without its political reactions. In the latter part of November, the Government issued a manifesto appealing to all citizens to assist in the reduction of public expenditure, pointing out that Rumania had to struggle against a crisis which was affecting all countries, and that it was necessary to make sacrifices all round. The manifesto condemned the alarmist articles which had appeared in certain newspapers, and announced that in order to preserve quiet, all public meetings would be prohibited except those of responsible political parties. Objection being taken to this step in Parliament, the Premier stated that if it was necessary to violate the law in order to save the country from ruin, he would have no hesitation in doing so. Thereupon the Liberals, who hitherto had collaborated with the Government, declared that if this meant a threat to the liberty of the Press, they could not follow it in such a policy.

Rumania's economic condition in 1931, like that of all other agrarian States, was seriously affected by the fall in the prices of grain. In order to assist the farmers, the Cabinet of the National Peasant Party at the beginning of the year drew up a " five-year plan " for agriculture under which the State was to maintain the prices of wheat, flour, and bread at a level high enough to remunerate the farmer. In November M. Argetoianu laid before Parliament a Bill for converting the debts of peasant farmers into long-term obligations, but at the end of December the Cabinet decided to postpone this Bill, and Parliament instead voted a moratorium for agricultural debts till February 15, 1931.

More important even than these steps for the agricultural industry was the attempt to conclude a new preferential tariff treaty with Germany. Negotiations to this end were opened in the middle of March at Vienna, but were suspended for a time owing to the resignation of the Rumanian Government in April. At the beginning of May a German delegation was invited to Bucharest to resume negotiations, and had actually got as far as Cernauti when it was asked not to proceed further till the representatives of the Little Entente, then in Bucharest, should have left. The German Government thereupon recalled the envoys and suspended the negotiations. Early in June, however, they were reopened at the request of the Rumanian Government, and they were soon after brought to a successful termination. On June 27 a treaty was signed in Geneva by which Rumania obtained a reduction of 40 per cent, of the existing German duty on coarse barley and a 60 per cent, reduction on maize, while Germany received a reduction on a large number of industrial duties. The treaty was to come into force on October 1, subject to Germany obtaining the consent of the United States, Canada, and the Argentine.

The same economic conditions which led to this treaty also inclined Rumania to favour the project of an Austro-German Customs Union, but here political considerations interposed an insuperable barrier. The continued adhesion of Rumania to the Little Entente was proclaimed at a conference of Foreign Ministers held at Bucharest at the beginning of May, and one of the decisions of that body was to adopt a common policy in regard to the proposed Zollverein. Earlier in the year, on January 15, the Treaty of Alliance and Mutual Guarantee with Poland was renewed for five years. Poland asked Rumania to guarantee her greater military support than formerly against Russia, but this she was unwilling to do. Rumania also sought to strengthen her position in the Balkans, and in this connexion great prominence was given in the Rumanian Press to a visit paid by M. Venizelos to Bucharest on August 20. On August 12 Rumania and Greece signed a Commercial and Navigation Treaty by which each obtained preferential treatment for certain exports.

At the end of May the police arrested a number of Communist leaders in Bessarabia, and announced that they had discovered plans for widespread terrorist activities. On June 14 a number of persons, including several Army officers, after a trial of forty days by Court-martial, were found guilty on charges of espionage on behalf of the Soviet Government.

YUGOSLAVIA.

General Zifkovitch remained Prime Minister throughout 1931, with the dictatorial powers which he had assumed in January, 1929. His regime became increasingly unpopular, but he

continued to enjoy the support of the Army chiefs and the King, who in turn was trusted by the Croats as a bulwark against extreme manifestations of Pan-Serbism ; and the opposition against him was rendered ineffective by disunion amongst the national and party groups. That, great discontent prevailed owing to the suppression of public liberties was shown by the increase of terrorist activities at the end of 1930 and the beginning of 1931 ; while the distrust with which the police were regarded was shown by the fact that some of the outrages were believed by the public to be the work of agents provocateurs.

On January 25 the King and Queen paid a sudden visit to Zagreb, the capital of Croatia, where they remained till February 5. In the course of their stay they mixed as freely as possible with the inhabitants and thus greatly enhanced their popularity with the townsfolk of Zagreb, if not with the Croat peasantry. The old political leaders, however, notably Dr. Matched and Dr. Trumbitch, held completely aloof. The visit was repeated in June.

From a comparatively early point in the year rumours began to circulate that there would soon be a return to a constitutional regime, and though they were sedulously denied by the Government, a proclamation to that effect was fully expected on August 14, the tenth anniversary of King Alexander's accession. On that day nothing happened, but on September 3 a new Constitution was actually promulgated. Those who expected from it a complete or even partial restoration of civil and political liberty were disappointed. The principles of freedom of speech and writing, of assembly and association were indeed recognised, but this recognition was at once qualified by the prohibition of associations on a basis of religion, race, or district, for purposes of party politics or physical education, and by the maintenance in force of all existing laws (including the censorship of the Press) till they should be altered or repealed by the new Parliament. Care was taken that this body should be entirely subservient to the dictatorship. It was to consist of a Senate and a National Assembly, and one half of the Senate was to be nominated by the King. The National Assembly, it is true, was to be elected by universal direct suffrage of all male citizens over twenty-one, but this concession was largely nullified by an Electoral Law promulgated on September 8, which substituted open for secret voting throughout the country, and which, in combination with the restrictive laws already in force, gave the Government an effective control over the elections.

The elections for the new Skuptstina were fixed for November 8. The Government issued an electoral manifesto appealing for the co-operation of all citizens and emphasising the need for national unity. In reply an Opposition manifesto was issued over the joint signatures of MM. Aca Stanojevitch (Radical), Korosetch

(Slovene), J. M. Jovanovitch (Agrarian), Davidovitch (Democrat), and Spaho (Mussulman), pointing out that the Decree of January, 1929, had destroyed political liberties and suppressed all parties, that the new Constitution had in no way altered the state of affairs, and that the laws against association and assembly made it impossible for the will of the people to find expression. They therefore urged the electors to boycott the election. MM. Matchek and Pribitchevitch issued a manifesto on similar lines. Neither document could be published in the Press, and type-written copies had to be circulated from hand to hand.

In spite of the abstention of the Opposition, no fewer than 1330 candidates came forward for 305 constituencies, as the Government encouraged competition among its supporters from different parties. To make assurance doubly sure, the Government hampered the movements of the Opposition leaders during the election campaign, and used various methods of intimidation. In consequence, great apathy prevailed among the electorate. Nevertheless, the Government recorded a record poll, the percentage for the whole country being given as 65 ; the Opposition, however, on the basis of trustworthy inquiries, declared this figure to be fantastic. The new Assembly contained 219 Serbs, 55 Croats, 25 Slovenes, 5 Moslems, 1 German, and 1 Magyar. Apart from the Ministers, most of the members were quite unknown to the public.

Both the eve of the election and the opening of Parliament, which took place on December 7, were accompanied by violent demonstrations on the part of the students of Belgrade University, which were suppressed by the police with considerable brutality. Similar scenes took place at Zagreb University a few days later.

Not content with packing Parliament with its supporters, the Government proceeded to muzzle it by decreeing certain Standing Orders which, among other things, deprived Deputies of parliamentary immunity. Hence neither the Constitution nor the convoking of Parliament in any way modified the arbitrary character of the regime. All the laws for the suspension of political liberties continued in force, and the censorship of the Press remained as stringent as ever. Political suspects also continued to be liable to summary arrest and vindictive treatment. It was significant that the name of Dr. Bedekovitch, the Chief of the Police of Zagreb, who had made himself notorious in connexion with various political trials, was found in the list of birth-day honours, side by side with those of the members of the Cabinet.

As in most other countries, economic and financial conditions deteriorated seriously in Yugoslavia during 1931. In the spring, the Finance Minister, Dr. Sverljuga, budgeted for an expenditure during 1931-32 of 13,210,303,000 dinars, which was 137,700,000 less than in the preceding year. At the same time he insisted on the need for rigid economy and for checks on the spending

departments, as trade was declining, the export of timber, Yugoslavia's main industry, being specially affected. In May the Government found it advisable to raise a loan in Paris for 1,925,000,000 francs (8,300,000l.) on rather onerous terms, chiefly for the purpose of maintaining the stability of the dinar. In June a State monopoly of wheat, rye, and flour was established with a view to obtaining better prices for agricultural exports and so assisting the peasants. The suspension of the Reparations payments under the Hoover Plan in July meant a loss to Yugoslavia of 700,000,000 dinars, and a consequent dislocation of the Budget. The wheat monopoly also turned out a failure, involving heavy loss to the taxpayer, and a rise in the price of bread. Hence in October, the Finance Minister, Dr. Djuritch, visited Paris and contracted for a new loan of 300,000,000 francs. He was followed a couple of months later by the King in person, who secured from M. Flandin an advance of 250,000,000 francs; but it was recognised that these sums were merely stopgaps.

Great interest was taken in Yugoslavia in the project of an Austro-German Customs Union. Owing to increasing trade between Yugoslavia and Germany, it was looked upon not unfavourably there, though rumours circulated abroad that Yugoslavia might join the Union were officially denied on April 8. One effect of the project was to bring to a head the negotiations for a Commercial Treaty between Yugoslavia and Czechoslovakia, which had been proceeding rather languidly for some time. On March 30 the Yugoslav Minister of Commerce, M. Demetrovitch, visited Prague and signed the treaty, which contained a number of preferences and tariff concessions, and also a Veterinary Convention, to facilitate the trade in livestock. Considerable publicity was given to the visit of M. Demetrovitch, which was intended to demonstrate anew the solidarity of the Little Entente in economic as in political questions.

A certain amount of friction was caused between Yugoslavia and Bulgaria through attempts of Macedonian revolutionaries to perpetrate bomb outrages on Yugoslavian territory. Feeling was particularly stirred in Yugoslavia by the demonstrations against the Yugoslavian Legation in Sofia on November 27, and its resentment was only with difficulty allayed by ample apologies on the part of the Bulgarian Government (*vide* Bulgaria).

TURKEY.

Towards the end of 1930 Kemal Pasha, the President of the Republic, entered upon a lengthy tour through Central and Northern Anatolia, which was subsequently extended into Western Anatolia and Thrace, and occupied in all about two months. A little later he made a similar tour through Southern Anatolia. In the course of these journeys, he mixed freely with

every section of the population, and made every effort to ascertain for himself at first hand the state of public opinion. On his return to Ankara at the end of February, he summoned a meeting of the Popular Party, and announced that in the interests of the country it was necessary that a General Election should be held forthwith, notwithstanding the fact that the present Assembly had still some months to run. His reasons for forming this decision were not disclosed, but it was supposed that he desired an Assembly with a greater porportion of younger men with progressive ideas.

Two days after the meeting of the Popular Party, the Grand National Assembly held what was known as a "historic session," in which, at the suggestion of the Ghazi, it voted unanimously for its own dissolution, for immediate elections, and for the reduction of its members' salaries from 50l. to 30l. per month. The dissolution, however, was not to take effect till after the election, in order that arrears of work might be cleared off. Before the election the minimum age for voters was raised from 18 to 21. As head of the Popular Party, the Ghazi chose 287 candidates to represent it, leaving 30 places to be filled by the Opposition. The final results were made known on April 26. All the 287 nominees of the Popular Party were returned, but of the Opposition candidates 10 failed to secure election, and their places were assigned to members of the Popular Party.

The fourth Grand National Assembly met on May 4, and re-elected Kiazim Pasha as its President. Kemal Pasha presented himself as sole candidate for the office of President of the Republic, and was re-elected for a third period of four years. The Prime Minister, Ismet Pasha, tendered his resignation, but, at the request of the President, immediately resumed office with the same Cabinet.

The financial condition of the country furnished increasing ground for concern throughout the year. Trade depression was severely felt in Turkey during the first half of the year, the beneficial effects of good crops being more than counterbalanced by the fall in world prices. The Government found it necessary to reduce public expenditure, and to this end from the beginning of June began to make drastic reductions in the staff of the civil service, involving the dismissal of several thousand officials. Cabinet Ministers even talked of reducing their salaries by 20l. per month, over and above the 15l. per month which had been taken off their salaries as Deputies, but at a meeting of the Popular Party the proposal was rejected as a false economy, derogatory to the State and unfair to the Ministers themselves. Towards the end of the year the Minister of Finance estimated that the deficit for the year ending June, 1932, would be about 20,000,000l.T (2,000,000l.), which was regarded as a sanguine forecast. To meet the impending deficit, new taxes were imposed among them

a " crisis tax " which, in effect, doubled the income tax on salaries and wages. To combat the danger of an adverse trade balance, on November 16 a Decree was promulgated fixing quotas for a number of imports up to the end of the year and prohibiting entirely the entry of some foreign products which competed with Turkish products. In spite of the embarrassed state of the country's finances, the Government in the summer adopted an ambitious scheme of public works, including harbour extension and construction at half a dozen ports, irrigation works, bridges and canals, and a railway of 250 miles between Sivas and Erzeroum. It was hoped that these schemes could be financed by means of long-term loans with, if necessary, the granting of concessions.

In the last week of December, 1930, a party of Dervishes, in furtherance of a plot to overthrow the Republic and restore the Caliphate, entered the town of Menemen, near Smyrna, and proclaimed a rising. They were met by a young officer named Koublay Bey, who expostulated with them and tried to dissuade them, and was barbarously murdered by them for his pains. The authorities took prompt measures to combat them, proclaimed martial law in the district, and made about 1000 arrests, thus effectually checking the movement. Thirty of the ringleaders were executed in February. Koublay Bey was proclaimed by the Government a national hero ; his portrait was hung in all schools, and funds were raised for erecting a statue to him in Menemen.

In the spring the Council of the Ottoman Public Debt decided to reopen negotiations with Turkey. Accordingly, on May 14, a Delegation arrived at Ankara and discussions were renewed. They continued till May 28 without producing any definite result, as the Turkish Government demanded that the total of the debt should be substantially reduced, and to this the Delegation would not agree. When the payment of the Debt coupons fell due on May 25, the Turkish Government continued to default.

At the beginning of October the Prime Minister, Ismet Pasha, along with the Foreign Minister, went to Athens to return the visit of M. Venizelos a year before. Ratifications of the treaty then made were exchanged, some new agreements were concluded on points of detail, and the cordial relations between the two countries were placed on an even firmer basis than before (*vide* Greece). On October 20 the Second Balkan Conference, attended by about 200 delegates from Turkey, Greece, Bulgaria, Albania, Rumania, and Yugoslavia, met at Constantinople and discussed matters of common interest. After the conference it was announced that the Turkish Government had recognised the Kingdom of Albania, and was sending a diplomatic representative there. A visit of M. Muchanoff, the Prime Minister of Bulgaria, to Ankara on December 2 was in many quarters regarded as a prelude to closer relations between that country and Turkey.

At the beginning of March the Soviet Ambassador at Ankara and the Turkish Foreign Minister signed a Protocol by which Russia and Turkey bound themselves not to construct or have constructed abroad any kind of warship intended to increase their present naval strength in the Black Sea and the adjacent seas, nor in general to increase their strength in these waters without giving each other six months' notice. On July 23 the Assembly ratified a Turco-Soviet Treaty of Commerce and Residence which provided that the nationals of each country should receive "most-favoured-nation" treatment from the other. Turkey also surrendered the right of her subjects to export to Russia in return for an undertaking by Russia to purchase Turkish produce to the value of 1,500,000l. annually. On the occasion of M. Litvinov's visit to Turkey in October (*vide* Russia), the official organ of the Turkish Government declared that Turco-Soviet friendship must remain the corner-stone of Turkish foreign policy, and the Treaty of Friendship and Neutrality concluded between the two countries five years before was renewed for a further period of five years. In spite, however, of these excellent official relations, great irritation was felt in Turkey at Soviet "dumping," which seriously affected Turkish industries, both home and export.

Early in May the Government proclaimed the area of Mount Ararat "a military zone of the first order," as a precaution against a possible renewal of Kurdish disturbances when the snow melted. Negotiations with Persia for a rectification of the frontier in that district were brought to a successful termination before the close of the year (*vide* Persia).

Turkey sent a delegate to the World Conference on Narcotic Drugs which opened at Geneva on May 27. She was not, however, one of the twenty-eight States which, at the close of the conference on July 13, signed a Convention for the limitation of the manufacture of narcotic drugs. On the other hand, she undertook to subscribe to The Hague Convention of 1913, and the Geneva Convention of 1925.

GREECE.

M. Venizelos succeeded without great difficulty in maintaining throughout 1931 his predominant position in the Greek Republic. Towards the end of 1930 he transferred the offices of War, Health, and Aviation, which he had hitherto held in combination with the Premiership, to three Under-Secretaries who, at the same time, were given places in an enlarged Cabinet. His own authority, however, remained unaffected by this change. Naturally there were many to whom his methods were irksome, and in the middle of March he thought it advisable, in a speech made at Athens, to defend himself against the charge of being an autocrat. He

denied that he had acted unconstitutionally, and maintained that he was in fact a strong Minister who had been entrusted by the Greek people with certain powers which he had used to enforce necessary discipline. He declared that he intended to remain Prime Minister until either his health failed or he was defeated at the polls. He supplemented this statement on May 4 when, replying in the Chamber to a Royalist attack, he said that he would remain in power for the life of the present Parliament, and that he would only dissolve Parliament at the expiry of its legal term in the autumn of 1931.

The year was quiet save for an abortive attempt in May at a Pangalist rising, which seemed to command no popular support and failed ignominiously. The finances of the country remained in a sound condition, the Budget showing a slight surplus. In March the Government raised a loan of 4,600,000(M. for draining and reclaiming lands in the valleys of the Struma and the Vardar and for building roads. At the end of 1930 the Refugees' Settlement Commission, after establishing 1,221,849 of the immigrants from Asia Minor on Greek soil, finally handed over its organisation to the Greek Government, which thenceforth took over the task of watching over and preserving the settlements. When Great Britain abandoned the gold standard, the Greek Government adopted the dollar instead of the pound sterling as the basis of exchange. At the same time stringent measures were taken to maintain the stability of the drachma; the Stock Exchange was closed for five days, and the export of capital was subjected to severe restrictions.

In external affairs the outstanding feature of the year was the strengthening of the friendship between Greece and Turkey which had been inaugurated with the treaty signed at Ankara in October, 1930. On October 3 Ismet Pasha, the Turkish Prime Minister, and Tewfik Rushdi Bey, the Minister of Foreign Affairs, accompanied by the editors of the principal Turkish newspapers, came to Athens to return M. Venizelos's visit. They had a most cordial reception, not only from the Greek Government, but also from the public, which seemed thus to show that it had buried its old grudges against Turkey. Besides warm expressions of friendship, the visit produced tangible results in the shape of five new agreements intended to facilitate intercourse between the two countries and remove causes of friction. A *communiqué* issued on October 6 stated that there was now a candid and cordial understanding between the two countries; that both desired the maintenance and stabilisation of peace; and that they desired to continue their collaboration at all points where their economic interests were in contact.

At the end of 1930 Greece proposed to Bulgaria to submit to arbitration all the questions in dispute between them; when requested by Bulgaria to exclude a number of questions, notably

the Greek claim in respect of the damage done at the riot at Anchialu, twenty-five years previously, she refused. In February Greece accepted without reserve the British proposal to refer to The Hague tribunal every issue between herself and Bulgaria in which direct negotiation should prove ineffective. Further action was postponed on account of the imminence of the Bulgarian elections. The Hoover moratorium plan was not welcome to Greece, as it meant a loss to her of nearly 500,000*l.*—chiefly from Bulgaria—and so threatened to dislocate her Budget. However, she was prepared to accept it if Bulgaria on her side would consent to forgo the payments due to her under the Molloff-Kaphandaris Agreement. In the end, Greece consented to pay half the sum due under the agreement on condition of receiving from Bulgaria an equal sum on account of reparations (*vide* Bulgaria). The net loss to her on this transaction was over 200,000*l.* per annum.

Public opinion in Greece was highly sympathetic towards the movement in Cyprus for union with Greece and the efforts made there to shake off British rule. In May an important Athens newspaper declared that the days of the British in Cyprus were numbered. On October 3 a manifesto was issued by Admiral Kondouriotis, lately President of the Republic, and forty-five other well-known Greeks, expressing sympathy for and admiration of the Enosis movement, and calling upon "the British King and nation to free this Hellenic island." Various other demonstrations of sympathy were made both before and after the rising in Cyprus. But M. Venizelos—who had evinced his friendship for England in the course of the year by unveiling statues to Lord Canning and to Rupert Brooke and by paying a glowing tribute to Lord Byron—strongly discountenanced such activities. On October 31 he solemnly warned the Cypriotes that the Government would not allow them to embroil Greece with a friendly country. The agitation, however, still continued, and demonstrations were arranged for November 11, which was now to be called "Cyprus day." The Government took strong measures to preserve order, and M. Venizelos issued an appeal to the public, urging that such manifestations should cease. He denounced the campaign of scurrility in the Press, declaring that it endangered the maintenance of friendly relations with Great Britain, and stigmatising all who jeopardised these relations as insane.

On November 18 the question was raised in the Chamber, and M. Venizelos made a statement on the Government's views regarding the national claims of the Cypriotes and Dodecanesians. Whatever sympathy Greeks might have for these aspirations, he said, it was impossible for the Hellenic State to help towards their realisation. It was to the vital interest of Greece that her friendship with Great Britain and Italy should not be in any way

disturbed. He therefore called upon the detached communities of the Greek race to be less egotistical and not to seek to trouble Greece's relations with other countries, assuring them that as long as Great Britain and Italy were resolved to retain the islands in question, no force could dislodge them. After thus dashing the hopes of the pan-Hellenists, however, he threw them a crumb of comfort by admitting that the idea of the cession of Cyprus to Greece was not to be abandoned for all future time.

In June an Agreement was concluded between the Greek and British Governments by which certain facilities were given to British commercial air services to Africa and India, and in return permission was given to Greek commercial aircraft to use civil air stations in Malta and Cyprus. The Agreement was in the first instance for seven years.

BULGARIA.

At the end of 1930 and the beginning of 1931 public opinion in Bulgaria was greatly perturbed by disclosures which brought to light a somewhat questionable connexion between the War Office and the ultra-patriotic but utterly lawless Macedonian Revolutionary Organisation. On information supplied by the Organisation, two Bulgarian Staff officers had been arrested in October, 1930, on a charge of espionage on behalf of Yugoslavia. Both were shortly after reported to have committed suicide. Doubts were thrown *in* military circles on the statements of the Revolutionary Organisation, and after heated discussions and debates in the *Sobranie*, a Commission of Inquiry was appointed. At the end of January the Commission reported that the two officers were innocent, and that the War Office had shown itself unduly amenable to the pressure of the Revolutionary Organisation. In consequence of this miscarriage of justice, the King on January 31 dismissed General Bakarjief, the Minister of War in M. Liaptcheff's Cabinet, and a number of higher officers were removed from their posts. These steps did something to allay the wave of indignation which the scandal had created among the Army and the public, but could not prevent the credit of the Government from being severely shaken.

The *Sobranie* was dissolved by the King on April 18, its term having then expired. On April 7 M. Liaptcheff had obtained a vote of confidence by a substantial majority. Nevertheless, the King was anxious that the election for the new Parliament should be conducted by a Government resting upon a wider basis, and he accordingly called upon M. Liaptcheff to resign, and requested M. Malinoff, the leader of the Independent Democrats, to form a Government of national union. M. Malinoff having failed, the attempt was made by Professor Tsankoff, late Minister of Education in M. Liaptcheff's Government and an ex-Prime

Minister, then by M. Malinoff again and then by M. Liaptcheff, but with no better success. M. Liaptcheff then suggested that the Cabinet which had just resigned should return to office till after the election, and this proposal was accepted by the King. The election was fixed for June 21.

M. Liaptcheff tried to strengthen his party by attaching to himself the Radoslavist Liberals at the price of two places in the Cabinet, the Ministries of Commerce and Agriculture. The bulk of the Opposition parties combined to form the National Union. The Socialists and the Communists remained outside both groups. The fact of his being in office was held to give M. Liaptcheff a great advantage, and for a fortnight before the elections the National Union made the usual complaints of intimidation and violence. Whatever truth there may have been in these charges, the National Union had no ground to complain of the result of the election. They secured 154 seats at the polls, against 60 which went to the Government Coalition, their candidates receiving 562,000 votes, against 372,000 cast for the Government and 146,000 for the Communists. Under the new Electoral Law, 22 additional seats were assigned to the Coalition and 26 to the Communists, so that party strength in the new *Sobranie* was : National Union, 154 ; Government Coalition, 82 ; Communists, 33 ; Socialists, 5.

On June 28 M. Liaptcheff resigned, and M. Malinoff became Prime Minister and Minister of Foreign Affairs with a Cabinet consisting of three Democrats, three Agrarians, two Liberals, and one Radical, besides the Minister of War, who being non-party was taken over from the previous Cabinet. The new Government, besides commanding a large majority in Parliament, enjoyed the goodwill of the country, and was also promised support by M. Liaptcheff. Early in July M. Malinoff, in an interview to representatives of the foreign Press, said that the main aims of his policy would be to secure internal peace and order, to relieve the financial situation and alleviate the economic crisis, and to establish good relations and friendship with Bulgaria's neighbours and the Great Powers.

Acute differences soon revealed themselves in the Cabinet between the representatives of the Agrarian Party and of the other parties, chiefly over economic and fiscal questions. For one thing, the Agrarian Party insisted on State control of the prices of grain, and threatened to withdraw from the Coalition unless they received "social justice." As this would have entailed too great a strain on the Budget, the Government tried to satisfy the Agrarians by increasing the fixed price of bread. This proposal, however, incensed the working classes and the industrialists, and their representatives threatened in turn a rupture of the *bloc*. It also gave a handle to the Communists to stir up trouble. On the question of tariffs also there was

a division of opinion, the Agrarians desiring a reduction of the duties on imported goods, while the industrialists demanded protection. The Agrarians also demanded relief for the Agrarian families which had been rendered destitute by the troubles of 1923.

For a time the Government was similarly divided by the purely political question of an amnesty for political exiles. The Agrarian Party had pledged itself to such an amnesty in the election campaign, but other sections of the *bloc* were strongly opposed to allowing certain exiled Agrarian leaders to return to Bulgaria. After heated debates within the Agrarian Party itself, a compromise was at last reached by which the Cabinet undertook to propose to the *Sobranie* a limited amnesty benefiting about 220 persons, but excluding Communist Agrarians who had taken part in terrorist acts at home or in organising armed attacks abroad.

On October 12 M. Malinoff resigned on account of ill-health, and was succeeded both as Prime Minister and Minister of Foreign Affairs by M. Muchanoff, who hitherto had been Minister of the Interior, and who had already been acting Prime Minister for some time.

Communist activities caused serious apprehensions during the latter half of the year. After their unexpected success at the elections, the Communists organised serious disturbances in the country, taking advantage of the acute and widespread distress which prevailed among the population as a result of economic conditions. In a number of towns they incited violent strikes which had to be suppressed by armed force. At the opening of the *Sobranie* on August 20, they made a noisy demonstration against the Government and the King, and finally refused to take the oath. They also made a scene in the Chamber on November 27, on the occasion of the commemoration of the Bulgarian soldiers who had fallen in the war. The Government was at first inclined to treat the Communists leniently, on the ground that they acted under instructions from Moscow, but in the autumn it prepared to take stronger measures. The Agrarians, as the section having most to lose, organised a campaign to combat Communist propaganda throughout the length and breadth of the country.

The endeavours of the Government to cultivate friendly relations with Yugoslavia were seriously hampered by the activities of the Macedonian revolutionaries. Its accession to office was followed by a number of attempts to blow up bridges over the river Morava and to cause bomb explosions in trains which had come into Yugoslav territory from abroad. The Yugoslav Government not without reason ascribed these activities to the revolutionaries, and in August called upon the Bulgarian Government to take vigorous measures against the revolutionary Organisa-

tion. As a result, thirty Macedonians in Sofia and Kustendil were arrested and deported to distant towns. As this did not put a stop to the outrages, the Yugoslav Government threatened to lay the matter before the League of Nations. M. Malinoff pointed out that while the Government was doing its best to keep the law-breakers in check, it was extremely difficult to repress them entirely, and he urged that their activities should not be allowed to interfere with the efforts that were being made to establish more friendly relations between the two countries.

The most serious blow to these efforts came not from the revolutionaries but from another quarter. November 27, the anniversary of the signing of the Treaty of Neuilly, was observed this year as usual as a day of national mourning throughout Bulgaria. Some bands of students in Sofia got out of hand and made a hostile demonstration in front of the Yugoslav Legation, breaking some of the windows. Although the Government made 200 arrests and offered an ample apology, the Yugoslav Minister was not satisfied, demanding the punishment of the officials through whose negligence the incident had been allowed to happen. The Bulgarian Government then sent a conciliatory Note to Belgrade offering further apologies, stating that the negligent officials had been dismissed, and promising that the rioters would be tried and punished. The Yugoslav Government accepted these assurances, but warned Sofia that any similar incident would compel them to safeguard the honour of their country.

At the beginning of the year, the long-continued negotiations between Bulgaria and Greece for a settlement of claims and counter-claims had reached a deadlock, as, though the Greek Government was willing to arbitrate, Bulgaria wished to exclude certain Greek claims from the scale of the arbitration. Bulgaria thereupon sought the mediation of the British Government, which proposed that the parties should agree to arbitrate on all questions which could not be settled by direct negotiation. This proposal was approved on February 18 by the Foreign Affairs Committee of the *Sobranie*, but action upon it was postponed in view of the approaching elections in Bulgaria. After the elections a new complication was introduced by the Hoover memorandum. Bulgaria, while anxious to take advantage of the proposal in order to suspend her own payments to Greece—about 400,000l. a year—desired at the same time to receive the payments due to her—about 190,000l. per annum—under the Molloff-Kaphandaris Agreement regarding the compensation of Bulgarian nationals whose property had been sequestered by Greece after the war. Greece demurred to this, and referred the matter to the League of Nations, which in turn advised an appeal to The Hague Court. Thereupon the Bulgarian Minister of Finance, while on a visit to Athens in October, opened negotiations on the matter, which were brought to a successful conclusion on

November 12, It was agreed that Greece should pay only the second half-yearly instalment of the sum due under the Molloff-Kaphandaris Agreement into the Bank of Bulgaria, and that Bulgaria should pay an equal sum into the Bank for International Settlements on account of Bulgarian reparations. Meanwhile, each country reserved its rights as they existed in September, 1931.

ALBANIA.

On February 20 an attempt was made to assassinate King Zog by some Albanian refugees in Vienna, whither he had gone for medical advice. The King escaped, but his adjutant was killed. The attempt was found to be part of a plot organised by Albanian refugees in Yugoslavia to overthrow the Albanian Government. King Zog returned to Tirana on March 20 and was received with much enthusiasm.

CHAPTER V.

LESSER STATES OF WESTERN AND NORTHERN EUROPE : BELGIUM
—NETHERLANDS — SWITZERLAND — SPAIN — PORTUGAL —
DENMARK—SWEDEN—NORWAY—FINLAND.

BELGIUM.

THE problem of national defence was prominent in Belgian politics in 1931. In January the Government demanded military credits for the purpose of building new fortifications on the eastern frontier and round Antwerp and enabling Belgium to put 350,000 men in the field in case of war. The proposal was distasteful to the Socialists, who not only opposed the granting of the credits but called for the cancellation of the Franco-Belgian Defensive Agreement of 1920. On March 4 M. Paul Hymans, the Foreign Minister, made a vigorous defence of the Agreement in the Chamber. He denied emphatically that it concealed any bellicose or imperialistic combination, or that it was an alliance which would make Belgian policy subsidiary to that of France. It was a guarantee of security and peace, and provided for common action only in the case of one specified emergency, namely, an attack by Germany on either Belgium or France. M. Hymans added that the French Government fully concurred in his interpretation and had authorised his statement.

The subject continued to be discussed in Parliament at intervals for some time afterwards, and was eventually responsible for the downfall of the Government. The Catholic Party took offence at certain Cabinet changes made in the spring, and the Flemish section of the party were also dissatisfied with the Govern-

ment's handling of the language question. As an expression of their displeasure, they brought forward on May 21 certain amendments to the Military Credits Bill. Some of these were accepted by the Government, whereupon the Liberal leader, M. Deveze, declared emphatically that he could not agree to any further weakening of the defences of Belgium against invasion, and that he personally would vote against the Government. His party unanimously applauded him, and M. Bovesse, one of the newly appointed Ministers, ostentatiously left the Government bench and resumed his seat among his Liberal colleagues. A scene of great confusion followed; the Session was adjourned; and soon after M. Jaspar and his Ministry resigned.

After a number of political leaders had been consulted by the King, a new Government was ultimately formed on June 6 by M. Renkin, the official leader of the Catholic Party, who took the post of Minister of the Interior. M. Paul Hymans remained Foreign Minister, so that continuity of foreign policy was assured. Baron Houtart consented to remain Finance Minister for the time being. The Liberal leader, M. Deveze, somewhat unexpectedly promised his support to the new Government, and on June 18 it obtained a vote of confidence by 95 votes to 77, the opposition being formed by the whole Socialist party with one Communist, most of the Frontists, and five Liberals. Soon after (June 24) the Chamber passed by 94 votes to 77 a Bill providing for credits of Fr.210,000,000 for defence works on the eastern frontier and for the reconditioning of the Meuse forts. In the Senate, the Government obtained a vote of confidence by 76 votes to 51 on June 30.

The financial position of the country was a source of anxiety throughout the year. On April 23 it was reported that the 1930 Budget showed a deficit of Fr.1,200,000,000 and that the 1931 Budget would probably show a deficit of Fr.2,500,000,000. On June 17 Baron Houtart, the Minister of Finance, stated in the Senate that there was a deficit of nearly Fr.1,000,000,000, due to the falling-off in receipts in consequence of the trade depression and the increase of expenditure voted by the Chamber. Nevertheless, the Government came to the conclusion in October that there was no need to abandon the gold standard, and it was decided to form a consortium with a capital of Fr. 1,000,000,000, to give the necessary support to the market. As a result of various reductions in the expenditure on the public services, the ordinary Budget introduced at the end of the year showed a surplus of Fr.35-72 millions, though the extraordinary Budget showed a deficit of Fr.259-82 millions. On December 23 the Chamber passed a Bill authorising the Government to issue Fr.500,000,000 worth of Treasury bonds to cover the deficit on the 1930 Budget.

The anti-dumping duties imposed by Great Britain in the autumn caused great concern in Belgium, and the Government

was urged to protest against them. On November 25 M. Hymans, in reply to a question in the Chamber, stated that he would do his utmost to persuade England to take into consideration the liberal attitude of Belgium towards British imports and to endeavour to maintain an equitable reciprocity in the trade between the two countries. In pursuance of this object, he paid a visit to London early in December, in the course of which he had long conversations with Sir John Simon and Mr. Runciman, without, however, obtaining any definite result. The idea of a Customs Union between Belgium, France, and Holland was suggested from various quarters in the Chamber, but it was not viewed with favour by the Government, and on being brought to a vote was rejected by the Chamber.

Mr. Hoover's proposal for a moratorium received sympathetic consideration from the Belgian Government, but the fact that it involved for Belgium considerable financial charges made them cautious in accepting it. Even M. Vandervelde, the Socialist leader, insisted that "the innocent victim of the war must keep her sacred right to reparations/' A reply was sent to Washington on June 29 giving adhesion in principle to the American suggestion, but asking that Belgium's special position in regard to reparations should be taken into account in its application.

In the summer the workers in the iron and steel industries agreed to accept a reduction in wages of 2-5 per cent, as from September 1. The coal-owners demanded a reduction of 5 per cent, in the miners' wages, but the Miners' Congress refused, pointing out that in the course of the year they had already suffered a reduction of nearly 15 per cent., and they threatened to take a strike ballot if the demand should be pressed.

On November 1 the Senate passed with one dissentient a Bill establishing the linguistic regime for secondary schools. By this, instruction was to be given in French, Flemish or German according to the prevailing language of the district in which the school was situated. In Brussels, where the population was bilingual, parents were to have the right of choosing the language of instruction.

On December 9 a Bill, introduced by the Flemish Nationalist group, for exempting conscientious objectors from military service was rejected by 81 votes to 69, after a stormy sitting.

THE NETHERLANDS.

The elections for the Provincial States, which were regarded as affording some indication of the future composition of the First Chamber, resulted this year in certain gains for the Roman Catholics, the Anti-Revolutionaries (Calvinists), the Socialists and the Communists, but not such as to foreshadow any change in the composition of the First Chamber. The position of the

Ruys de Beerenbrouck Cabinet remained unaffected, and was in fact strengthened by the growing seriousness of the economic crisis, the Cabinet, with the tacit consent even of the Opposition, assuming the character of a National Crisis Government.

As in other countries, the world crisis was the determining factor in national policy, gravely affecting as it did the economic life both of the Realm in Europe and the Overseas Territories, especially in the East Indies. Temporary measures had to be devised to save from ruin a number of branches of agriculture, horticulture, and industry. The Government could no longer maintain its *laissez-faire* attitude of the year before, and so a Bill was introduced and passed by Parliament, providing for State subsidies to sugar-beet growers. The Wheat Act, laying down a minimum of home-grown wheat to be used by bakers in the preparation of bread dough, came into force on July 1. The export trade was hampered more and more by the exceptional measures taken in various countries in order to limit the import of certain goods, and negotiations, often of a most difficult character, were entered into with the purpose of modifying the detrimental consequences of such impediments to trade. At the end of the year the economic situation of the country had deteriorated to such a degree that both Government and Parliament judged it necessary to safeguard vital sources of the national income by restricting the import of certain goods for the period of the crisis.

The economic stress naturally could not fail to affect adversely public finances. Already in February Parliament voted a Bill providing for the re-opening of the Crisis Service which was instituted during the war and had been closed in 1924. This empowered the Government, in order to meet the special expenditure rendered necessary by the crisis, to dispose of the credit balance of 242 million guilders of the War Loan Fund which was established in 1914. In addition a surtax of 30 per cent, was imposed, for a period of three years, on the excise on cigarettes.

In the Financial Note accompanying the State Budget the Government stated that the surplus for 1929, which had been estimated at 50 million guilders, had actually amounted to 58 millions; that the surplus for 1930, estimated at 7 millions, had reached 23 millions; that for 1931 a deficit of 26 millions was expected; and that without radical retrenchments the deficit on the 1932 Budget would have to be estimated at 75 millions. In order to cut down expenditure the State contributions to the Old Age and Sickness Insurance Fund were temporarily reduced by 6.5 millions per annum. For the fund for the drainage of the Zuyder Zee, 7 millions less was assigned and for naval construction 3 millions less. Other items of expenditure were also cut down, so that the total estimate for 1932 was 19 millions lower than for 1931. For Ordinary Service, expenditure was put at almost

594 millions, revenue at over 544 millions. Of the surpluses for preceding years 18 millions was to be transferred to the Budget for 1932, whilst an equal amount would be available for 1933 and 1934, and the deficit for 1931 could also be covered.

The remainder of the estimated deficit for 1932 was to be covered, in the first place, by a 5 per cent, reduction of civil servants' salaries. This reduction was planned for three years and was then to lapse automatically. It was expected to yield 7 million guilders. A tax on benzine of 6 guilders per 100 kilos was imposed, being estimated to yield 10½ million guilders. Further saving was expected from the conversion of the 6 per cent. 1922 loan after April, 1932, and the revision of the Education Act, for which a Bill was introduced.

Of the measures introduced, the reduction of civil servants' salaries met with particularly strong opposition on the part of the Socialists and the Radicals and even of the Left Wing of the Roman Catholic Party. A serious conflict in Parliament seemed possible. Dr. Aalberse, however, who had succeeded the deceased and generally regretted Mgr. Dr. Nolens as leader of this Party, declared in the course of the discussions on the Bill that in these difficult times the greater part of his political friends did not desire to precipitate a Government crisis. So the danger was averted. In order to meet some objections, the Government postponed the date from which the reduction of salaries would come into effect from January 1 to April 1, 1931. The Queen, the Queen-Mother and the Princess Royal voluntarily gave up 10 per cent, of their State income. The Queen, moreover, abandoned an important part of her revenues from the Crown lands on behalf of the lease-holders.

In order to meet the increasing demands of the Exchequer, the States-General passed at the end of the year a Bill providing for an increase of the import duties from about 8 to 10 per cent. This measure was not meant to be protectionist, and an amendment emphasising this point, and stipulating that the Act should remain in force only till December 31, 1934, was accepted by the Government and passed by the Second Chamber. On the other side amendments providing for a duty on imported horses of 12-50 guilders, on beef of 20 per cent, *ad valorem*, and on potatoes of 10 per cent, *ad valorem*, were carried by the parties of the Right and the majority of the Liberals against the opposition of the Radicals, the Socialists, and the Communists. It cannot be denied that these amendments signified a slight breach of the old Free Trade policy.

The position of the national currency during the year 1931 remained very strong, in spite of heavy losses which the Central Bank (Nederlandsche Bank) incurred on its pound sterling assets. Rumours at the end of the year of a Dutch suspension of the gold standard were emphatically denied, and both the

Central Bank and the Government expressed the firm determination to maintain the gold value of the guilder. The stock of gold, indeed, in the course of 1931, increased from 426.1 to 898.5 million guilders, and the gold covering of bank-notes and short-time liabilities from 52 to 76 per cent., i.e., to nearly double the obligatory minimum of metal covering.

In external affairs further negotiations, official and semi-official, were carried on with Belgium for finding a solution satisfactory for both parties of problems still pending between them. These negotiations did not yet lead to any positive result, though an increasing desire was shown on both sides for closer co-operation over the whole field of economic life, even to the point of forming a Customs Union. At the end of the year a Protocol was drawn up in which each country bound itself to notify the other party betimes of any intention it might have to restrict the import of goods important for this other party, in order to render possible negotiations aiming at the removal or modification of such measures.

In consequence of various Press rumours concerning the Antwerp-Rhine canal, the Minister of Foreign Affairs, Jhr. Beelaerts van Blokland, was questioned in the First Chamber on the position of the negotiations with Belgium. The Minister categorically refused to answer the questions, Parliament having since 1922 the right to prevent the ratification of a treaty by withholding its consent, but not to intervene in the negotiations. The Minister, however, described the various possibilities which presented themselves. His statement led the questioner and several other members to remark that the Press reports seemed to contain much that was true, in which case they would refuse to support the Government. No motion was proposed, so that the debate remained inconclusive.

As regards Russia, the Government remained unwilling to promote more regular relations by the conclusion of a Commercial Treaty, on the ground that this would involve the establishing of an extensive commercial delegation by Russia in this country, which perhaps would not refrain from Communist propaganda. This would be a serious impediment to friendly relations, and would become even more serious if Russia demanded also the establishment of such a similar delegation in the Dutch East Indies,

At the beginning of the year the Commercial Convention of Geneva, and in December the Oslo Agreement, came before Parliament for approval, and were ratified. With Spain a treaty was signed for the settling of disputes by means of conciliation, jurisdiction, and arbitration.

SWITZERLAND.

Like its predecessor, the year 1931 brought no change in the composition of the Federal Government. On February 4 the Federal Assembly, in conjunction with the newly-appointed National Council, re-elected the Federal Council (*vide* ANNUAL REGISTER, 1930, p. 233).

On March 13 the people, by 13½ Cantons to 8½, and by 296,053 individual votes to 253,382, approved of an amendment to the Constitution for reducing the number of Deputies by assigning one representative to 23,000 inhabitants instead of 20,000 as hitherto. A proposal to raise the number to 25,000 was defeated through the opposition of the National Council. At the same time, by 16 Cantonal votes to 6 and 297,938 individual votes to 256,919, the people approved of another amendment to the Constitution by which the term of office of the National Council, the Federal Council, and the Federal Chancellor was prolonged from three to four years. General Elections will in consequence take place in future only every four years. (There is no provision in the Swiss Constitution for a dissolution of the National Council.)

The elections for the National Council took place on October 25. Contrary to expectation, the Social-Democrats did not improve their position. The new National Council, reduced from 198 to 187 members, was composed as follows: Radicals, 52 (58); Catholic-Conservatives, 44 (46); Socialists, 49 (50); Peasant and Middle Class Party, 30 (31); Liberal-Conservatives (Evangelical), 6 (6); Communists, 3 (2); others, 3.

The plebiscite on the amending Bill which extended the prohibition against receiving foreign decorations from Federal to Cantonal functionaries and deputies and which had been passed by both Federal Chambers (*vide* ANNUAL REGISTER, 1928, p. 199, and 1930, p. 234), took place on February 8. The amendment to the Constitution was approved by 17 Cantonal votes to 5 (Geneva, Vaud, Neuchâtel, Freiburg, Valais), and by 293,845 individual votes to 124,804.

The Bill for Old Age and Dependents' Insurance (*vide* ANNUAL REGISTER, 1930, p. 234) was on July 17 passed by the National Council by 163 to 14 votes, and by the *Ständerat* (Upper House) by 30 votes to 5. But though the opposition to the measure in Parliament was insignificant, among the public an active agitation was started against it while it was still under discussion in Parliament, and the requisite number of signatures for demanding a referendum was collected. In the referendum campaign, all officials, almost all societies, all parties and the overwhelming majority of the Press organs supported the Bill. Nevertheless, in the plebiscite on December 6 it was rejected by 513,239 votes to 338,786. At the same time the Tobacco Tax Bill, which was

meant for the financing of the insurance scheme, was rejected, but by a much smaller majority (424,741 votes to 423,565). The reasons for the rejection of the Insurance Bill were the disinclination of large sections of the public to further advance along the path of State Socialism and State control, and their hostility to any extension of bureaucracy. These feelings were accentuated by doubts which were entertained as to the financial soundness of the insurance scheme and as to the wisdom in any case of inaugurating a work of such scope as the insurance of a whole people without exception in the midst of an economic crisis.

In accordance with the recommendation of the International Court, Switzerland entered into friendly negotiations with France on the question of the Free Zones at Geneva (*vide* ANNUAL REGISTER, 1930, p. 236). They were, however, broken off, because the Federal Council saw no prospect of their bearing fruit, as the French Government refused to accept any proposal which could involve a drawing back of the French Customs frontier. According to the decision of The Hague Court on December 6, 1930, the affair is to be finally settled by it in 1931.

Relations with Italy were friendly throughout the year, the frontier incidents and the Fascist excesses which formerly disturbed them having ceased since the appointment of Signor Marchi as Italian Ambassador.

A certain amount of ill-feeling against Germany was caused by the decision of the Reich Government on July 17 (which, however, was cancelled on August 26), in view of the unfavourable balance of payments, to impose a tax of 100 marks on every traveller leaving Germany. This put an almost complete stop to the influx of German visitors for the summer, and so dealt a heavy blow to the Swiss tourist industry, which had already been seriously affected by the economic crisis. In Swiss financial circles great nervousness was felt on account of the money invested in Germany. The need for foreign bills in Germany led to the flooding of the Swiss market with cheap German manufactures, to the great detriment of the home industry, and long negotiations on the subject took place between Berne and Berlin. As Germany would not consent to fixing a quota for her exports, Switzerland on December 14 denounced the Trade Agreement with her as from February 14, 1931. On December 21 the Federal Council was granted emergency powers to impose restrictions on imports.

In 1931 Switzerland suffered more severely from the economic crisis than in the previous year. While the home market remained fairly strong, the export industries, namely, the metal, machine, watchmaking, and textile industries, were hard hit. As compared with the previous year, imports fell from Fr.2,664,200,000 to Fr.2,251,200,000, and exports fell from Fr.1,767,500,000 to Fr.1,548,800,000. On the other hand, import of gold bars, which

was not reckoned in the trade balance, rose from Fr. 100,000,000 to Fr. 901,200,000, the export being only Fr. 1,200,000.

There was a great falling-off in railway receipts owing to the decline in transit and tourist traffic. The number of unemployed was at the beginning of the year 27,000 ; in the early summer it fell to 14,000, but from July it rose steadily till at the end of the year it stood at about 50,000. On September 21 the Federal Council was, at its own request, empowered by both Chambers to furnish the watchmaking industry (chiefly located in the Jura valleys), which had been particularly badly hit, with a grant from the Federal treasury of Fr. 6,000,000 and a loan without interest of Fr. 7,000,000.

The Italian-speaking Canton of Ticino was by a Federal resolution granted a subvention of Fr. 60,000 for the preservation and advancement of its own culture and language.

On November 9 a conference of a large body of experts was convened by the Military Department to consider the question of the protection of the civil population against chemical warfare. It passed a resolution requesting the Federal Council to appoint a commission of experts, to be attached to the Swiss Red Cross, to study the question of protection against gas and to make recommendations.

SPAIN.

The trouble ever latent in Spanish politics—rare is the year in recent times that has not witnessed an attempt at revolt—came to a head, in 1931, with the overthrow of the Monarchy. A sequel to the fall of the Dictatorship in 1930 and, like it, the outcome of political discontent, the downfall of the Monarchy was fraught, however, with consequences transcending the mere political aims of many of its abettors, for it was hailed by the masses as heralding a social revolution.

The Berenguer Government, having rapidly quelled the revolutionary rising of December, 1930, began the year as determined as ever to carry on its gallant attempt to bridge over the difficult period of transition from the dictatorial to a new constitutional regime. It met, however, with sullen opposition on the part of the professional politicians. Five septuagenarian ex-Ministers of the Crown, forming the Constituent group, declared on January 31 that their party would abstain from the elections, which formed the main plank in the Government's policy. This first move was followed on February 3 by the franker opposition of the Socialists. More dangerous was the opposition of the Liberal Monarchists, declared on February 13 by Count Romanones and the Marquis of Alhucemas. The next day the Government fell, and on February 14, Spain had a foretaste of what was to befall her on April 14.

King Alfonso called Senor Sanchez Guerra to carry out the programme of the Constituent Party, but this proved to be a mere shadow without the support of the Revolutionary Committee, who, being sure of their success, preferred to bide their time. After protracted and futile negotiations carried on with the men lying in prison on a charge of high treason, a stop-gap Government was appointed on February 18 under Admiral Aznar. This last Government of the Constitutional Monarchy that had ruled Spain for over fifty years, was a concentration of some of the best Monarchical talent, but it was destined to be short-lived. The very equanimity of King and Council encouraged opposition, and the all-important Ministry of the Interior, significantly styled in Spanish *Ministerio de la Gobernacion*, was in untried hands. The concession made on February 23 to the revolutionary element of postponing legislative to municipal elections, was to prove fatal. Republican propaganda was allowed free sway, and a virulent campaign against the King was carried on in the popular Press. Early in March rioting by the students of Madrid, aided by less desirable elements, broke out afresh and was but feebly repressed. The Court-martial held on March 13, at Jaca, on the body of officers and men implicated in the abortive December rising inflicted merely nominal punishment; it was followed on March 20 and 21 by the public trial of the Revolutionary Committee, who had been detained since December in the Model Prison at Madrid, and whose acquittal, after merely perfunctory proceedings, was the occasion of a popular triumph.

Whilst the Republican tide was thus rapidly rising, the Government contented itself with preparing the municipal elections with scrupulous fairness. Polling took place on April 12, and political passion, pent up for over seven years, produced an overwhelming Republican majority at least in the larger towns. On April 13 the masses, heartened by the discomfiture of the Monarchists, made themselves masters of Madrid. On April 14 the Republican flag was hoisted over the Central Post Office at 4.30 P.M. ; at 5 P.M. the Civil Guard—*ultima ratio regum* and the standby of law and order in Spain—was delivered over by General Sanjurjo of Moroccan fame to the Revolutionary Committee, who at 7 P.M. formed themselves into a Provisional Government of the Republic. King Alfonso, who throughout had maintained a calm attitude, content to trust to the verdict of later legislative elections, embarked at Cartagena for Marseilles early on April 15, when the Royal Family also left Madrid for Paris.

The bloodless revolution thus accomplished was celebrated by the masses at Madrid with two days of mafficking. Meanwhile events had moved even more rapidly in Catalonia, where the Separatists under the retired Colonel Macia had stolen a march on Spain by proclaiming a Catalan Republic several hours before the proclamation in Madrid. In thus forestalling the Central

Government and presenting the rest of Spain with a *fait accompli*, the Catalan Separatists from the start placed the Spanish Republic in an awkward position. The Catalan Government, however, was soon reduced to the status of a "Generalitat" within the Spanish Republican Federation.

The Revolution had been made in the street with the help of the masses. The latter were soon to show their strength. From May Day onwards the weapon of the revolutionary general strike that for the last two years had been wielded against the Monarchy, was turned against the Provisional Government. Liberated prisoners, set free on April 15, joined hands with anarchists and communists to preach and practice the doctrine of violence not only in Barcelona and Bilbao, but in countless towns and villages throughout the country. In alarm at an early reaction the mob of Madrid was let loose on May 10 to crush the Monarchists. On May 11 it got out of hand, and for several days mob rule reigned in Spain. Innumerable convents and churches, containing priceless works of art, were burnt throughout the country—in Malaga alone twenty-two churches out of twenty-five. The whole of the South of Spain thenceforward seethed with social disorder, which at Seville, Cordova, and Granada broke out into open Communist revolt. The rising plotted at Seville by the airman, Comandante Franco, was indeed quelled on June 27, but Communist propaganda became rife in Valencia, Extremadura, and right up to the provinces of Toledo, Salamanca, and Zamora. The Government sought to placate the extremists by decrees directed against Property and the Church. The former caused a financial panic, which sent the exchange soaring to over 60 pesetas to the £ and led to the strangling of the Bourses, though perhaps even graver was the effect throughout the country of the announcement of new agricultural reforms. The Primate of Spain and Archbishop of Toledo, Cardinal Segura, was expelled from the country, and the Catholic Press of Madrid and particularly the Basque Provinces and Navarre, the stronghold of Catholicism and Traditionalism, effectively muzzled.

The elections to the Constituent Cortes, held on June 28, produced a very large Republican majority. The opening of the Cortes on July 14, and the definite constitution of the Chamber on July 27, had a steadying effect as it drew national and international attention from the social strife reigning in the country, and legalised the position of the Provisional Government under Senor Alcala Zamora. Moreover, as Constituent Cortes, Parliament had a definite task before it—the framing of a new Constitution—which engrossed its attention to the exclusion of the more extremist measures called for by the Socialists and Radical Socialists.

The thorny Catalan question for a time threatened to hold up the labours of Parliament. The Statute, by which Catalonia

in a plebiscite held on August 2, ratified confidence in Senor Macia, when submitted by him to Madrid on August 15, was held to prejudge the yet undrafted Constitution as entailing the federal organisation of the Peninsula. Public opinion feared a fresh forestalment by the Catalan Left; but the difficulty was skilfully evaded by Sefior Alcala Zamora, and the severe economic crisis brought on by the series of revolutionary strikes in Barcelona led to the gradual waning of that party's influence in Catalonia, and the practical effacement of Senor Macia by the end of the year.

Nor were the wild men of the extreme Parliamentary Left more fortunate in their obstruction, as their connexion with the grave Communistic outbreaks in Seville in July, and later in Cordova and other parts of Andalusia, discredited them even in the eyes of their Republican colleagues. A Commission of Responsibilities was set up in September to try the members of the Dictator's Governments, but beyond the discomfort caused to a number of elderly generals by being clapped into prison seemed to produce no tangible result. When, on October 6, the Chamber came to discuss the more important chapters of the new Constitution—such as the questions of property, the family and the Church—more moderate opinions prevailed. Though the principles of nationalisation and socialisation were affirmed, confiscation of private property was rejected; women of over 23 years of age were given the vote and divorce provided for; and on October 13 the Cortes approved by 287 votes to 45 (out of a total of 470) Article 3 of the Constitution reading "There shall be no State religion." (For the text of the new Constitution, see "Public Documents" in this volume.)

In the heated debates leading up to these decisions the Head of the Government had temporarily presented his resignation. This became final on October 14, when Article 24 of the Constitution, strangling the Religious Orders, and Article 26 providing for the possible expulsion of the Jesuits, were voted. Senor Alcala Zamora and the Minister for the Interior, Don Miguel Maura, resigned, and the Cabinet was reconstructed under Senor Azana, the Minister for War, who had gained a reputation for energy by his drastic Army reform in June, entailing the retirement—on full pay—of some 12,000 officers. At the same time the Catholic Accion Nacional and the Agrarian Parties—43 deputies in all, and the only Conservatives who had collaborated with Parliament—now withdrew, thus widening the breach between the Cortes and a great body of opinion in the country.

In the absence of any opposition, legislation now proceeded apace. On October 20 the important Law for the Defence of the Republic, giving the Government sweeping powers to crush its opponents of the Right and Left, was passed after summary

discussion; and after the decision to outlaw King Alfonso, taken in an all-night sitting on November 19 and 20, in which the sole Monarchist of the Chamber, Count Romanones, made a telling speech, the Constitution was voted on November 27 and finally approved with the abstention of 100 deputies on December 9. On December 11 Senor Alcala Zamora took the oath as first President of the Republic, and was ceremoniously installed in the former Royal Palace at Madrid. Upon resigning power to him, and being entrusted with the formation of the first Constitutional Cabinet, Senor Azaiia was faced with the defection of the Radicals under Don Alejandro Lerroux. On December 15 a new Government was formed of Republican Left, Socialist, and Radical Socialist elements, with the Radicals in opposition.

PORTUGAL.

The Dictatorship, under its peacefully-minded President, General Carmona, has been able, with the assistance of the Army and Navy, to more than hold its own against the insidious attacks of its political enemies, exiled in France and Spain, and against the ever-increasing menaces of the Communists.

The Government, through the municipal bodies, established a voluntary register of voters, which included people of all shades of opinion and was called the "National Union." The Government has been engaged for some time in elaborating a revised Constitution, and as soon as this is framed and the time propitious for a General Election, only those who have registered their names as National Unionists will be allowed to vote.

On April 4 a revolt of the Madeira garrison occurred, followed shortly after by revolts in two of the Islands of the Azores. The rising had been very carefully prepared by the political exiles in France and Spain, assisted by many political prisoners who were in forced residence in Funchal. The rebels seized the three Portuguese merchant ships which were in the harbour, and in a very short time were in complete possession of the Island. The Government hurried troops and warships to the Islands and at once commenced a blockade in preference to an attack. In the meantime, and as showing how widespread was the movement, insubordinations occurred in Angola, San Thomas, Guinea, and the Cape Verde Islands, all of which were immediately suppressed. The rebels surrendered unconditionally on May 1. The expedition cost the Government over 300,000l.

During the May Day celebrations Communist pamphlets were distributed, and towards evening bombs began to be thrown and shots fired at the police, but after a few machine-gun discharges, the streets were soon cleared of disorderly **elements and order restored.**

In the early morning of August 26 another revolution was

attempted against the Dictatorship, but again the Army and Navy proved loyal. The rising was headed by a number of ex-officers of the Army who had been dismissed their posts because they had taken part in previous disturbances. The revolt was completely suppressed by nightfall, though it had been accompanied by loss of life.

Thanks to the economic policy of the Finance Minister, Dr. Oliveira Salazar, Portugal weathered the financial crises through which the world passed during the year. In 1930 the pound was stabilised at 110 Escudos, and it remained at this figure throughout 1931.

Portugal's credit was never higher than at the end of 1931, thanks to the satisfactory Budgets of the last three years. Since 1928 the surpluses have amounted to 469,000 contos (more than four millions in English currency).

Unemployment was much less than in other countries. The population of the country is about 6,000,000 ; in October there were only 38,225 unemployed, of which 5,771 were in Lisbon.

The adverse trade balance was reduced from 1,330,269 contos in 1930 to 819,223 contos in 1931.

The Spanish Revolution had no appreciable effect on Portuguese politics. For many years a feeling has existed in Spain, which has since the establishment of the Spanish Republic become stronger, that Portugal should become one of the states of an Iberian Federation, but public opinion in Portugal is strongly opposed to such a union, though they are anxious that the most friendly relations should exist between the two countries.

DENMARK.

As in so many other countries, economic problems played a dominating part in Danish politics in 1931. After being only lightly touched by the world economic crisis in 1930, Danish trade and industry experienced its full force in the succeeding year. The drop in agricultural prices was such as to cause the country's principal industry to work at a decided loss in the most important branches of its production, which nevertheless had to go on working. Agricultural products forming the bulk of the country's export trade, commerce and shipping naturally suffered in sympathy. The crisis also affected manufactures, causing unemployment greater than had ever been known in Denmark.

The depression due to the fall in prices was aggravated very considerably by the commercial policy of those countries with which Denmark chiefly trades. Especially harmful to Denmark were the new commercial treaties between Germany and Sweden, by which Sweden was to have the right to export to Germany a certain quota of cattle at a lower duty, quantities above that

quota having to pay a much higher rate. By virtue of the most-favoured-nation clause Denmark received the right to ship the same quota as Sweden at the lower duty ; but whereas the quota easily covered the whole of Sweden's normal exports of these commodities to Germany, it only amounted to a trifling fraction of Denmark's normal exports. These measures, in conjunction with the falling off in the German nation's purchasing power, brought about a very perceptible decline in Denmark's cattle exports to Germany, and, as Germany was the principal buyer, a depression of prices on the home market to an absurd figure. Denmark became seriously alarmed when an agreement of similar character was concluded between Germany and Finland concerning the importation of butter into Germany, though this was a danger that did not become imminent as long as Germany did not raise her duty on butter beyond the rate (50 marks per 100 kilos) that was fixed for the Finnish quota. It was quite clear to Denmark that this quota policy would completely undermine the most-favoured-nation principle, the fundamental basis of the commercial treaties between Denmark and Germany, and consequently the Danish delegation to the Eleventh Assembly of the League of Nations, with the support of a number of other States, initiated a discussion for the purpose of determining the scope of the principle of the most-favoured-nation. During the course of 1931 an expert commission which had been appointed to go into the question framed a report which, with general approval—including that of the German experts,—in principle accepted the view of Denmark in all essentials. Notwithstanding this, Germany made a considerable addition to her butter duty, which meant for Denmark a rise from 50 to 100 marks per 100 kilos for imports exceeding the quota (5,000 tons) agreed upon with Finland, while at the same time Denmark was hit by an extra rate of 36 marks, which applied to the quota also, imposed when the Danish krone abandoned its gold basis. The Danish Government made energetic protests to Germany, both with regard to the supplementary duty due to the exchange and the quota parity, as being contrary to the existing commercial agreements.

For a time Denmark was able to compensate for the rapid decrease in her exports to Germany by transferring some of these products to other markets, *i.e.*, France, Holland, and Belgium. There also, however, especially in France and Holland, obstacles were eventually placed in her way, in the form of higher duties and very severe quota restrictions. As a result, at the end of the year Denmark's export trade was in very great difficulties. She was in consequence compelled to limit her own purchases of foreign commodities. Measures were taken by Parliament first to restrict the importation of articles of a luxury character, and then to control trading in exchange, with the object of applying the sparse quantities of exchange available principally to the

purchase of the most necessary goods, consideration being shown to those countries that placed fewest obstacles in the way of commercial intercourse with Denmark.

Developments in England's trade policy were followed in Denmark with the closest attention and tense anxiety in 1931. The commercial and political ties between the two countries had come to be regarded in Denmark almost as part of the order of nature, but it was now felt that forces were at work that might shake even the strongest foundation. Such forces were the liberation of sterling from gold, and the new direction given to British trade policy by the General Election last autumn, though their ulterior consequences could not be even approximately foreseen. The decline in the value of the English pound made Denmark realise more vividly than ever how dependent she was economically upon the British Empire. Therefore there was complete unanimity in Denmark on the necessity of adopting a currency policy that ran parallel with England's, while simultaneously the desire to bring the trade balance between the two countries nearer to an equilibrium became much stronger than formerly.

In this difficult situation Denmark turned her eyes also in another direction: to the two Scandinavian sister nations on the north. Within the group of five of the smaller States in north-west Europe which concluded the Oslo Convention in 1930, the three Scandinavian countries for many reasons form a separate entity. This was manifested in a remarkable way towards the end of 1931, when their Minister of Foreign Affairs met to discuss exchange policy, a matter in which their interests *vis-a-vis* England were almost identical. This meeting voiced the feeling that by a happy stroke they had found their way back to that community of policy which during the Great War gave their three countries a position of no small importance, and expressed the hope that during the present economic war this policy would help towards procuring them the position to which they were entitled by their economic and cultural importance.

This meeting of Ministers was also remarkable in that it revealed the readiness of Denmark and Norway to co-operate economically in spite of a serious difference in the political field, *viz.*, the Greenland dispute. Denmark has always asserted her sovereignty over the whole of Greenland, but Norway has regarded a certain part of the east coast as "no man's land" (*vide* Norway). In the summer of 1931 a party of young Norwegian hunters annexed a stretch of the coast as Norwegian territory in the name of their king. The Norwegian Government hesitated to approve this step, but, under pressure of popular feeling, it was moved to issue an official declaration of annexation. Denmark at once pronounced this step as being absolutely at variance with her sovereignty and the treaties in force, and appealed to the International Court at The Hague to have the annexation

declared unlawful and void. Both sides declared their unqualified willingness to respect the findings of the Court.

In the Faroe Islands, which form a county of Denmark, the chief political event of the year was an election which took place for the local representation just after the turn of the year. It resulted in a considerable increase of votes and an absolute majority for the party desiring the closest possible connexion with Denmark ; whereas the party which stood for extended local government suffered a loss of power, and the party openly agitating for separation from Denmark polled only 15 votes. In Iceland, too, there was a vigorous contest at the elections to the Legislative Assembly. The question of the termination of the Act of Union between Iceland and Denmark in 1943 was one of the side issues of the Election, but problems of a practical and economic kind attracted more attention. The world crisis also extended its effects to Iceland and, *inter alia*, necessitated severe import restrictions.

In North Sleswig relations between Danes and Germans continued to improve. Partly on account of its transference to Denmark, the effects of the world crisis were particularly marked in North Sleswig and produced some unrest; this was, however, in contrast to previous phenomena of a similar kind, of a purely economic nature and not at all national-political. The conflict between the two nationalities is being more and more confined to the cultural sphere, and is being conducted without the bitterness that once so strongly characterised it.

SWEDEN.

When the Cabinet of Mr. Ekman, which had been formed on June 1, 1930, met the Riksdag on January 10, the ministerial party could count only 22 out of the 150 members of the First Chamber, and only 28 out of the 230 members of the Second. In the general political debate, which takes place in connection with the handing over of the Budget proposals to the respective Standing Committees of the Riksdag, the question of the Parliamentary basis of the Government was much discussed, and the ministerial party was criticised by all sections of the Opposition for the way in which it utilised its intermediate position to harass Governments formed by either of the two great parties, and so prevent the formation of stable Governments. The Prime Minister, in defending himself, maintained that he had genuinely striven for co-operation with the other parties of the Centre, though in vain, and declared his conviction that the composition of the Government correctly represented the will of the country and of the Riksdag.

The Opposition on their side showed no desire to undertake the responsibilities of office. In the course of the debate the

Conservative leader proceeded to offer the Government his support if it showed due regard for the interests of agriculture, while the Social-Democratic leader declared that his party was prepared to guarantee the Government the Parliamentary support it required if it would devote itself to the solution of social questions. On the whole, the Government came out of the debate with increased prestige, chiefly owing to its sound financial policy.

The questions which engaged most attention in the course of the session were those of combating unemployment and supporting agriculture. The previous year's Riksdag had decided in favour of the so-called quota system, by which it was made compulsory for mills to use a certain percentage of home-grown grain in all the grain milled. In furtherance of this policy the Government, with the object of securing the sale of the corn harvest of 1930 and 1931 at equitable prices, submitted a Bill by which a special body, under State control, consisting of milling concerns which desired to acquire the right to use foreign grain, was granted an import monopoly for certain kinds of grain and flour, in return for undertaking to purchase the surplus stock of Swedish grain at a fixed price and to be responsible for the sale of it to the mills. In the course of the debates on the Bill in Committee, both the representatives of the Right and the Social-Democrats criticised it on the ground that it involved entrusting an essentially private enterprise with the power of collecting dues similar to Custom duties and at the same time of deciding who should and who should not be empowered to import grain, and the party of the Right proposed, instead, increased taxes on imported grain. When, however, the Riksdag vetoed this, it agreed to the Government's Bill, which was passed in the face of opposition from the Social-Democrats. As in 1930, a grant of 3,800,000 Kronor was voted in support of sugar-beet cultivation in the southern provinces of the country.

The Government's Bill for the relief of unemployment was passed by the Riksdag, which, in addition, at the instigation of the Social-Democrats, added a grant of 3,500,000 Kronor, so that the total amount to be thus used was increased to 22,500,000 Kronor. Of this sum 2,000,000 Kronor was to be devoted to the acquiring of shares in a saw-mill company at Korrbotten, which was founded as far back as 1927 with State support to take over the business of a private company which had been forced to suspend work, thereby threatening with ruin the inhabitants of the neighbourhood, who derived most of their income from the saw-mills industry. Owing to the fall in prices and the general situation of the timber market, the new company, in which a large section of the community, farmers and workmen alike, had taken shares, had got into difficulties. In order to ward off the danger thus entailed of a new stoppage of work, with its resultant unemployment, the Riksdag, after much discussion, now granted

the sum asked for. A sum of 3,000,000 Kronor was to be devoted to so-called emergency works, the amount to be spent on which was to be regulated in proportion to the increase in unemployment.

Over and above these direct grants, the Riksdag voted a sum of 23,000,000 Kronor for the electrification of the main southern railway line, which connects the capital with the southernmost provinces and indirectly with the Continent. The total cost involved was estimated at 70,000,000 Kronor, and of this the sum voted by the Riksdag constituted the first instalment. Though the primary purpose of this great enterprise was not to cope with unemployment, yet in coming to its decision on the subject the Riksdag undoubtedly kept the problem in mind.

Excited debates took place in the Riksdag in the early summer on the action of the authorities in connection with a troublesome strike in the industrial region of Adalen in Angermanland. In the course of a conflict between the military who were summoned to the spot for the maintenance of order, and the strikers who demonstrated against strike-breakers, four demonstrators and one onlooker were killed. The incident was due to a combination of unfortunate circumstances, but its seriousness was greatly exaggerated in certain circles, and feeling ran very high on the matter. In order to obtain a trustworthy account of the occurrences in question, the Government instituted a commission of inquiry, which, after detailed investigations, presented a report. The Prime Minister's declaration that order had at all costs to be maintained and that the outbreak of disturbances must be suppressed won unconditional approval from all the party leaders with the exception of the Communists.

There was a marked absence of Labour unrest throughout the year, and the only serious labour disputes occurred in the textile industry, in which a conflict affecting about 34,000 workers took place in January, February, and March.

During the autumn certain apprehensions were felt in respect of labour conditions during 1932 on account of the termination of the agreements in a number of industries, by which 170,000 workers would be affected. Just before Christmas, however, a provisional agreement was reached in the most important group, the metal and engineering industry, comprising in round figures 90,000 workers, and it was hoped that this would react favourably on the negotiations in other industrial groups.

The Budget proposals for 1931-32 submitted at the opening of the Riksdag involved an expenditure of about 850,500,000 Kronor, an increase of 37,000,000 on the total for the previous year. The Riksdag authorised not only this but also certain additional outlays, and the amount finally sanctioned was about 874,000,000 Kronor, or about 23,500,000 Kronor more than the Minister of Finance had proposed. In his review of the economic situation the Minister of Finance dwelt on the effects upon Sweden

of the economic world crisis—effects increasingly perceptible during the second half of 1930. While emphasising, however, the need for foresight and thrift, he maintained that there was no cause to take too gloomy a view of the future. Naturally, however, the development of the international economic and financial situation in the last half-year could not but affect the financial position of Sweden also. While the situation gave no cause for disquiet even in the first half of September, the country was suddenly placed in an entirely new situation when England on September 20 abandoned the gold standard. The great withdrawal of gold and the heavy demand for foreign currencies in Sweden which followed the action of Great Britain at last compelled the Government, on representations from the Riksbank, to abandon the gold standard as from September 28, while at the same time prohibiting all export of gold except by the Riksbank or foreign Central Banks.

In justifying this step, which was only taken with great reluctance, the Prime Minister declared that it was obvious that it had not been made necessary by any internal cause or owing to any deeply rooted financial trouble in the country. The country's financial position was sound. But, for one thing, the Swedish balance of trade had developed unfavourably and showed for the first nine months an excess of imports of 255,000,000 Kronor ; for another, Sweden was particularly affected by the fall in the pound, owing to the fact that the greater part of her foreign trade and practically all her revenue from freightage was reckoned in this currency. In framing the Budget for the financial year 1932-33, the depreciated economic situation was carefully taken into account and strenuous efforts were made to reduce State and municipal expenditure. The great excess of imports and the measures for restricting imports taken by certain other countries evoked in Sweden a strong movement in favour of taking commercial measures of self-defence.

Sweden's foreign policy remained unchanged during the year. The fruitful co-operation between the three Scandinavian States continued undisturbed, despite the contretemps between Norway and Denmark over East Greenland (*vide* Norway). The Prime Ministers of all three Scandinavian countries met in the Norwegian town, Hamar, at the invitation of a Norwegian Press Society, on September 6, for the purpose of discussing the subject of co-operation ; and the fact that this meeting should have been possible, and that it should have taken place in a cordial atmosphere, while the Greenland dispute was still unsettled, prompted the Swedish Prime Minister, Mr. Ekman, to remark that even if the feeling of neighbourliness between them might occasionally be disturbed, they were all three resolved to hold together in time of stress. It is worthy of note that this was the first time since the dissolution of the Union between Sweden and Norway in

1905 that a Swedish Prime Minister spoke at an official meeting in Norway.

With Finland and Iceland relations were equally friendly. The convention between Sweden and Iceland negotiated in 1930 regarding the peaceful settlement of disputes was ratified by the Riksdag at the end of January, 1931. The convention, generally speaking, is on the same lines as those already concluded with the other northern countries. The Riksdag also ratified the convention signed at Geneva in October, 1930, regarding the grant of financial help to a State that is attacked, as also the convention signed in the following December at Oslo by the Scandinavian States, Belgium, and Holland, regarding closer financial co-operation between those countries (*vide* ANNUAL REGISTER, 1930, p. 249).

The part to be taken by Sweden in the International Disarmament Conference of 1932 was carefully planned out during the year. The Riksdag voted a sum of 100,000 Kronor for the purpose. In a speech in the Riksdag regarding Sweden's attitude towards this conference, Baron Ramel, the Foreign Minister, declared that Sweden would as a matter of course exert all her powers to bring about the most fruitful result—a point as to which no doubt had been felt. It was decided that the Riksdag should be strongly represented in the Swedish delegation to the conference, that the work at the conference should be carried on in intimate contact with the Riksdag, and that for this purpose the delegation should include leaders of the larger parties in the Riksdag.

As a striking proof of the interest taken by the Scandinavian states in international co-operation, it may be mentioned that in April, in the vicinity of Geneva, a Scandinavian *folkhögskola* (public academy) was opened for students from all the northern countries. The institution is primarily intended to inculcate the importance of international co-operation. The chief place in its curriculum will be given to the subject of relations between the nations in their widest aspects, to the work of the League of Nations and other associated institutions, and the progress and objects of international co-operation.

NORWAY.

The year 1931 before it closed became much more eventful than at first seemed likely. When the new Storting met on January 12, there was no ground for expecting any marked change in the political situation. The position of the Radical Government having been strengthened at the General Election in October, 1930, and the Premier's (Mr. Mowinckel) personal prestige apparently standing higher than ever, everything pointed to a calm session. Some papers even considered it quite likely that

Mr. Mowinckel would be able to maintain himself in office during the whole lifetime of the new Parliament, that is till January, 1934.

The most important measure announced in the Speech from the Throne was a Bill for the reorganisation of military defence. The estimates for the financial year, July 1, 1931, to June 30, 1932, balanced at 376,000,000 kroner, a small increase on those of the preceding financial year.

The debate on the Speech from the Throne which took place on January 12 and 13 was exceedingly tranquil. The vote of censure proposed by the Labour Party was rejected by 99 to 44 votes, all bourgeois parties voting against it.

The controversy which had raged for some years around the name of the third biggest town of Norway {*vide* ANNUAL REGISTER, 1929 and 1930) was settled at last by a compromise in March. "Nidaros," which had been the official name of the town since January 1, 1930, was changed to "Trondheim," a Bill to this effect being passed by a large majority in the Odelsting, and unanimously in the Lagting. The new name did not entirely satisfy the inhabitants of the town, who were practically unanimous in preferring the form "Trondhjem" which had been the name of the town for several centuries up to January 1, 1930. They accepted the compromise, however, as a means of getting rid of the detested name "Nidaros."

A more serious political question gradually absorbed the interest of the public and unexpectedly caused the downfall of the Government. In the course of 1930 the Mowinckel Ministry had decided to grant a concession for the amalgamation of the big hard oil factory De Nordiske Fabriker (De-No-Fa) and the Lilleborg factories, the most important soap works in Norway. As 50 per cent, of De-No-Fa were owned by the English-Dutch oil trust Unilever, the consent of the Government had been required for this step in accordance with the existing concession laws. The official Trust Control Board strongly objected to the concession, but was unable to prevent it. The Government, however, made the concession conditional on an agreement being concluded between Unilever, De-No-Fa, and the Lilleborg factories on the one hand, and the Norwegian margarine factories on the other. The object of this condition was to safeguard the future production of the independent margarine factories and prevent the trust and those margarine factories which were controlled by it from obtaining a too predominant position. After prolonged negotiations, such an agreement was concluded, but it could not take effect without the consent of the Trust Control Board. This consent was at last given, but the Board reserved the right to supervise the carrying out of the various provisions of the agreement in accordance with Article 16 of the Trust Law. Unilever having declined to accept this condition, the Government submitted to the Storting a Bill amending the

Trust Law with a view to restricting the powers of the Trust Control Board. The attitude of the Government was strongly criticised by the Agrarian and Labour Press, which supported the policy of the Board. There was also some opposition in the Press of the Government's own party, the Left, chiefly on the ground that the concession granted to Unilever did not harmonise with the strongly anti-foreign concession policy hitherto pursued by the Left. Before the fate of the Bill amending the Trust Law had been decided, the Odelsting on May 7, after a debate of three days, by 57 to 55 votes, passed a motion declaring that the concession to Unilever was injurious to Norwegian interests and should not have been granted. The majority consisted of the Labour members, the Agrarian members and two members of the Government's party, the Left. The two dissentient Radicals were later excluded from the meetings of the parliamentary group of the party.

The next day Mr. Mowinckle's Cabinet resigned, and the King entrusted Mr. P. Kolstad, one of the leaders of the Farmers' Party, with the task of forming a new Government. The new Premier, who also became Minister of Finance, was born in 1878. He is headmaster of an agricultural school and has been member of the Storting since 1922, President of the Odelsting in 1931, and member of the Norwegian delegation to the Assembly of the League of Nations in 1930. The other members of the new Government were: B. Braadland, Minister of Foreign Affairs; N. Traedal, Minister of Public Worship and Education; P. Larsen, Minister of Commerce; V. Quisling, Minister of Defence; R. O. Langeland, Minister of Works; J. N. Vik, Minister of Social Affairs; J. Sundby, Minister of Agriculture; and A. Lindboe, Minister of Justice. All the new Ministers belonged to the Farmers' Party. Mr. Kolstad's Cabinet was even more of a minority Government than the preceding administration, commanding the allegiance of only 25 of the 150 members of the Storting.

Mr. Kolstad made his statement of policy in the Storting on May 12, declaring that the chief task of the Government was to alleviate the consequences of the economic crisis, particularly in agriculture, to reduce public expenditure, and to safeguard the national interests of the country. During the debate on the Premier's statement on May 9, the leaders of the Right and the Left promised the Government support on its merits. A vote of censure proposed by the Labour Party was defeated, obtaining only 44 votes.

During the remaining weeks of the parliamentary session the Government succeeded in carrying through some important measures of relief for agriculture, among others an increase of the State subvention for grain growing, and a Bill making it obligatory for the margarine factories to add to the margarine a percentage of natural Norwegian butter. In regard, however,

to the question which had led to the formation of the new Government, the Cabinet did not, after careful consideration, deem it advisable to maintain the original policy of the Farmers' Party, but decided to consent to the amalgamation of the De-No-Fa and Lilleborg factories, if Unilever did not insist on an amendment of the Trust Law. The Bill amending the Trust Law which had been submitted by the Mowinckel administration was rejected by the Odelsting on June 19, and the prolonged concession controversy was at last brought to a conclusion on June 22, the Storting by 96 to 50 votes deciding to leave the matter in the hands of the Government. The concession was granted by an Order in Council shortly afterwards, a step which represented a compromise between the conflicting views.

The session came to a close on June 25, but the parliamentary vacation brought no rest to the Government, which had to devote increasing attention to a problem of external policy—the East Greenland question. The agreement signed by Norway and Denmark in 1924 protected the Norwegian fishing, sealing, and whaling rights in East Greenland, but did not settle the question of sovereignty. Denmark claimed that it had already acquired sovereignty over the whole of Greenland, while Norway maintained that East Greenland must be considered as *terra nullius*. On the strength of the East Greenland agreement, Norwegians continued to settle in this part of the country and about eighty small houses were built. Considerable alarm was caused in Norway when it was announced in the Danish Press in December, 1930, that a great scientific expedition was to be despatched from Denmark to operate for three years in the central part of East Greenland. It was feared in Norway that in addition to its scientific purpose, the expedition also contemplated a scheme of colonisation in the very regions where Norwegians were earning their living. It was further announced that the leader of the Danish expedition was to be given magisterial powers not only over Danes, but over settlers of all nationalities in East Greenland, including Norwegians. The Norwegian Government, on February 20, considered it necessary to request the Danish Government to ensure that the Danish three-year plan was not carried out in such a way as to conflict with the Greenland treaty or with the legitimate interests of Norwegian citizens in East Greenland. The Norwegian Government also protested against the powers which Denmark intended to assume over all nationals in East Greenland. Numerous Notes were exchanged between the two Governments without an agreement being reached.

Public opinion in Norway became very impatient of these interminable negotiations with Denmark. The Arctic Council, an official body of Arctic experts, on May 5, passed a resolution urging the Government to occupy East Greenland before the new Danish expedition had arrived. The Storting and the Government

did not, however, comply with this resolution, but decided to continue the negotiations with the Danish Government. The movement in favour of occupation was supported by some of the leading Oslo papers, and it seemed to gain ground. On June 28 a sensation was caused by a telegram from the Norwegian whalers and sealers stationed at Myggbukta (Mackenzie Bay) in East Greenland, announcing that they had occupied the territory lying between Carlsberg Fjord in the South and Bessel Fjord in the North in the name of the King of Norway, an act which they asked the Government to sanction. This private occupation by a band of patriotic youths was only a demonstration and did not in any way influence the policy of the Government. In order to accelerate the negotiations with Denmark, the Norwegian Government in a Note of June 30 proposed that the two Governments should agree to the following points : (1) That no police or magisterial jurisdiction should be established in East Greenland by either Norway or Denmark during the term of the agreement of 1924, which was due to remain in force until 1944. (2) That no exercise of sovereignty, whether by Denmark or Norway, should take place during the term of the agreement.

The Danish Government, in a Note of July 3, rejected the Norwegian proposal, and suggested that the dispute should be settled by arbitration or be referred to the Permanent Court of International Justice at The Hague. The Danish suggestion was accepted by the Norwegian Government in a Note of July 7. The Government found it, however, necessary to define the question at issue more precisely. Up to the present Norway had maintained that East Greenland was *terra nullius*, while Denmark maintained that it was subject to Danish sovereignty. If, however, the Court were to decide that Denmark did not have sovereignty over East Greenland and that it was *terra nullius*, this would not entirely settle the question. The Norwegian Government, therefore, earnestly urged the Danish Government not to oppose the exercise of Norwegian sovereignty over East Greenland if the Court ruled that the territory was *terra nullius*. The Norwegian Government further proposed that the question whether Denmark had sovereignty or not should be determined on the basis of the *de jure* and *de facto* position on July 1, 1931. In a Note of July 10 the Danish Government declined to make the declaration desired by Norway. Realising that it was not possible through negotiations with the Danish Government to reach a satisfactory agreement as to the statement of the case to be submitted to the International Court, **the** Norwegian Government decided on the same day to occupy the central part of East Greenland, i.e., the territory between 71° 30' and 75° 40' North latitude. The Minister of Foreign Affairs stated that the occupation was not by any means a hostile act against Denmark, but was meant solely to safeguard Norway's

legal status in the forthcoming case before the International Court.

The decision of the Government was approved by practically the whole of the bourgeois Press, but was criticised by some of the Labour papers. That the dispute did not seriously disturb the friendly relations between the two countries was shown at a meeting at Hamar in East Norway on September 6, arranged by the local Press Association, at which speeches were made by the Premiers of Norway, Denmark, and Sweden. Mr. Stauning, the Danish Premier, referred to the Greenland question in very outspoken terms without provoking any sign of hostility from the large Norwegian audience.

In the autumn the Government appointed Mr. Arne Sunde, a former Minister of Justice, as Norwegian Counsel at the forthcoming case at The Hague. The Norwegian Minister to London, Mr. Benjamin Vogt, was appointed Norwegian member of the Court. The judgment is expected to be given in October, 1931.

Norway, like all other European countries, was severely hit by the world crisis. The situation was aggravated by the longest labour conflict in the history of the country, lasting from April 8 till September 14. In order to effect a considerable reduction of wages the employers proclaimed a lockout in some of the leading industries, to which the trade unions retaliated by a "sympathetic strike" in other industries. More than 50,000 workers were affected by the stoppage. The official negotiator made several unsuccessful efforts to settle the dispute. A compromise was eventually agreed to by which wages were reduced by an average of 6 per cent., much less than the amount originally demanded by the employers.

The suspension of the gold standard by England had a serious effect on the financial situation in Norway. On September 27 the Bank of Norway was obliged to follow the example of the Bank of England. Shortly before Christmas two of the leading banks, Den norske Creditbank, Oslo, and Bergens Privatbank, Bergen, temporarily suspended payments and were granted a moratorium of three months by the Government. The difficulties of the two banks did not, however, affect the business life of the country to any serious degree, and by the raising of new capital the position of the banks was assured.

FINLAND.

At the beginning of the year, the election took place for the Electoral College of 300 members which was to choose a new President in place of Hr. Relander. The issue really lay between Senator Svinhufvud, the Prime Minister and a former President, and Dr. StShlberg, the leader of the Progressive Party, whose kidnapping had caused such a sensation in the previous year.

Hr. Svinhufvud had the support of the powerful Lapuan movement (*vide* ANNUAL REGISTER, 1930), which carried on a fierce campaign on his behalf. When the Electoral College met on February 16, the Agrarians, who numbered sixty-nine, at first voted for their own candidate, Hr. Kallio, the Speaker of the Diet, but on the third ballot they joined the supporters of Senator Svinhufvud, who finally received 151 votes against 149 cast for Dr. Stahlberg. Hr. Svinhufvud was formally inaugurated as President on March 1. The outgoing President, Hr. Relander, in reviewing his term of office, commented on the lawless activities of the Lapuan movement in the past year, for which he held defective legislation in part responsible. Hr. Svinhufvud in reply declared that the maintenance of law and order was essential and would be one of his chief considerations. He also stated that there would be continuity in foreign policy.

On March 24 a new Government was formed by Dr. Sunila (Agrarian), chiefly of Agrarian and Coalition Party elements. It was unpopular with the Lapua organs, but in spite of their opposition maintained its ground throughout the year. A struggle soon arose in the Diet over the report of the late Government on its proceedings in the year 1930. The Constitutional Committee of the Diet severely criticised the report on the ground that it omitted all reference to the lawlessness of the Lapua leaders. The Coalition Party threatened to withdraw from the Government if the criticisms were not withdrawn. After two debates a compromise was reached and the matter was settled.

The Lapua movement held its first annual meeting in March. It was declared that most of the acts of violence had been carried out by irresponsible persons without the knowledge of the leaders, and local organisations were formed throughout the country, subordinate to the central body, and charged with the duty of keeping the extremist elements under control. This did not prevent the perpetration of a particularly dastardly outrage in the autumn, when an alleged Communist was kidnapped by some Lapuans, driven towards the Russian frontier, and on the way shot in cold blood by the son of a Lapuan leader.

The question of Prohibition continued to exercise the public mind throughout 1931. Early in the year an all-party Committee was appointed by the Government to study the effects of Prohibition and recommend any necessary revision of the existing Prohibition Law. The demand for abolition grew stronger as it was found that cases of drunkenness and crime, due to prohibition, continued to increase until the cost of maintaining the prisoners became a positive burden on the State. In the summer the Government decided to refer the subject to a Referendum, and a Bill for that purpose was passed by Parliament on December 11. In November, the Committee appointed by the Government had reported strongly in favour of revision of

the existing law, recommending that light beers and wines should be allowed. The Referendum was held on December 29 and 30, with the result that 217,112 votes were cast for retaining Prohibition, 10,935 for Prohibition with light wines, and 545,413 for abolition.

Owing to trade and industrial depression, the Government early in the year decided that it would be necessary to reduce State expenditure, and with that object it appointed in March a Committee to inquire into the condition of the public finances. The Committee in the summer recommended savings to a total of over 3,000,000l., spread fairly evenly over various Government Departments. The Government decided to adopt most of its suggestions in framing next year's estimates. On October 12 the Supervisory Board of the Bank of Finland decided to suspend the gold standard, and on December 13 the Government sought from the Diet powers to frame emergency financial measures, to revise estimates of State expenditure, and to make such tariff alterations as were rendered advisable by the tariff policies of other countries.

On August 17 the District Court of Helsingfors ordered the dissolution of the Communist Trade Union Federation, to which over 1000 Red trade unions were affiliated. Trustees were appointed by the Court to take over and liquidate the suppressed unions' property.

The Supreme Court of Appeal in the summer exonerated General Wallenius from all responsibility for the abduction of Dr. Stahlberg in the previous October and ordered his immediate release.

On January 28 it was officially stated that Finland had given satisfaction to Russia in the matter of certain frontier incidents of which the latter had complained, and that the subject could be regarded as closed. In April public feeling was deeply stirred in Finland by the news that the Soviet authorities were deporting thousands of Ingrian peasants, the majority of whom were of Finnish origin, from districts east and north-east of Leningrad to the Murmansk region. In response to the pressure of public opinion, the Finnish Government on May 16 addressed a remonstrance to the Russian Government on the subject, but was informed by the latter that it could allow no interference with its internal affairs.

CHAPTER VI.

THE MIDDLE EAST : PERSIA—AFGHANISTAN—IRAQ—PALESTINE—
SYRIA—ARABIA.

PERSIA.

EARLY in March, Sartip Khan, the last remaining rebel chief of the Bayerahmadi tribe, surrendered to the Government, so that for the first time since the Shah's accession, Persia was free from internal rebellion. On proceeding to Teheran, Sartip Khan was pardoned by the Shah.

At the end of January a Bill was introduced in the Me j Uss to compel foreigners owning agricultural land in Persia to sell it within three months, or alternatively to submit to expropriation by the Government. In pursuance of the same nationalist policy, the Government at the end of February took over from the Indo-European Telegraph Department of the British India Office and its Telegraph Company the control of all their telegraph lines in Persia. The Company had been formed in 1868, and the Department and its staff had established a high reputation for efficiency and public service.

The economic position in Persia in 1931 was adversely affected, not only by the world depression, but also by the fall in silver and by internal extravagance. The Government sought to meet the emergency by restricting imports as far as possible. A serious handicap had been placed on foreign trade by the exchange control set up in February, 1930, which had forbidden the transmission of money out of Persia, in order to pave the way for a transference from a silver to a gold standard currency. Not satisfied with this, the Government, on February 25 and March 11, passed the so-called foreign trade monopoly laws, which prohibited the import of certain luxuries and articles competing with local products, and admitted other articles only against a guarantee to export Persian produce of an equivalent value. The effect of these regulations was to bring foreign trade almost to a standstill. This step was taken in spite of protests from the British Government, and was justified by the Government on the ground of national emergency. Recognising the fairness of the plea, the British Government did not press its objections, although it was not certain whether the monopoly laws did not conflict with Persia's treaty obligations.

Although these laws affected all foreign trade, they were aimed primarily at the Soviet Government, in order to force it to renew the trade agreement of October, 1927, which expired in this year. This object, however, was not achieved during the year; in November the Soviet Government closed the Soviet-Persian

frontier from the Caspian Sea to Ordubat, a distance of about 250 miles, nominally in order to prevent the spread of plague from Persia into the U.S.S.R. In June the Persian Government entered into a barter contract with a combine of eleven Swedish firms to take 50,000 krans (277,000l.) worth of steam and other engines with appurtenant material in exchange for a corresponding amount of Persian goods to be marketed at Stockholm. In December, Mirza Abdul Husein, Minister of the Court, and Ali Husein Khan Daiba, the Director of the Civil List, went to Stockholm, primarily to discuss the terms of the contract, but also to see if a Swedish Military Mission could be sent to Persia to help in reorganising the Army.

Attempts were made in the course of the year to rectify the Turco-Persian frontier in the neighbourhood of Mount Ararat, but at first without success. Early in April Persian troops came into conflict with Kurds of the Jelali tribe, near Maku, close to the Turco-Persian frontier, and about 700 Kurds tried to cross into Turkish territory. This incident increased the friction between the two countries. Subsequently, however, the negotiations took a more favourable turn, and before the end of the year an arrangement was made provisionally by which Persia ceded its section of Little Mount Ararat (Kuchuk Agridagh) and the adjoining mountain Aybey, receiving in exchange a piece of territory farther South, in the area of the Bajirghe Pass. At the end of the year, the Persian Government invited Tewfik Rushdi Bey, the Turkish Minister of Foreign Affairs, to Teheran to draw up a Convention on the rectification of the frontier.

On January 9 a Treaty of Friendship and Arbitration and a Convention of Commerce and Establishment between Persia and Greece were signed in London.

At the request of the Persian Government, the Belgian Government in July lent four Treasury officials to help in the economic and financial reorganisation of Persia.

A severe earthquake took place early in May in the Zanguezur district, on the Persian-Soviet frontier, the shock being also felt in Tabriz. On December 10 the main part of the House of Parliament in Teheran was destroyed by fire. The Mejliss was sitting when the fire broke out, but all the Deputies escaped before the roof fell in.

In August a law, to come into force on September 24, was passed giving women the right to seek a divorce against their husbands, and raising the age of marriage for girls from 16 to 18.

AFGHANISTAN.

During 1931 King Nadir Shah further consolidated his position, and continued to bring the country into a more settled state, as was noted by traders at the end of the year. The only

fighting was in the North-East, where a leader named Ibrahim Beg, "the Robin Hood of Bokhara," stirred up disaffection. After a campaign of eight months, the king's brother, Shah Mahmud, succeeded in July in driving him across the Oxus into Russian territory, where he was interned. Shah Mahmud's victory was celebrated at the annual festival of national independence in August. Relations with foreign Powers continued to be friendly, but the immigration of Europeans was not encouraged, and only a small number of European advisers were retained in the country. King Nadir devoted special attention to the reorganisation of the Army and the control of the national finances. In May a consignment of 10,000 rifles and large quantities of ammunition arrived in Afghanistan from France.

IRAQ.

The principal topic of interest in Iraq throughout the year has been the proposed end of the Mandate and the admission of the State to the League of Nations. Great Britain, the Mandatory Power, expressed her agreement with the change of status and supported the proposal at the League, but other States were less definite in their views, the question of safeguarding the minorities in Iraq in particular arousing considerable hesitation. The policy of the Iraqi Government, it was contended, was to merge all minorities into the Iraqi people and thus solve, by means of absorption, the minorities question. The anxiety among the minority races in Iraq centred specially among the Assyrian Christians and the Kurds. The former went so far as to petition the Permanent Mandates Commission of the League of Nations to arrange for the emigration of the remnant of them that survived to another land where they could live under European rule, so deep was their distrust of all Iraqi Governments, present and future. The Kurds went even further. The early part of the year was marked by military operations, in which the British Air Force co-operated, against a Kurdish outlaw, Sheikh Mahmud, who had previously caused trouble and had again invaded Iraq with a following of Kurds in September of 1930. Sheikh Mahmud surrendered in May. The activities of Sheikh Mahmud meant more than a brigand raid into which a desire was shown to belittle it. It was a definite, even though hopelessly ineffectual, Kurdish revolt. At the end of the year also there was trouble in the same region which led to military operations. The first step of the Mandates Commission of the League was to determine the conditions on which a Mandate could be withdrawn. The proposal of the British Government was that the Mandate should be replaced by a treaty of alliance, in the present instance between Great Britain, the Mandatory Power, and Iraq, with certain political advantages to the Mandatory,

This view was not fully accepted, and in particular Signor Grandi, the Italian representative, urged that the independence of the newly enfranchised State must be complete. In the end the Mandates Commission agreed to certain conditions for general application. These conditions were (1) The Mandated territory must have a settled Government and an Administration capable of maintaining the regular operation of essential Government services ; (2) it must be capable of maintaining its territorial integrity and political independence ; (3) it must be able to maintain public peace throughout its whole territory ; (4) it must have at its disposal adequate financial resources to provide regularly for normal Government requirements ; and (5) it must possess laws and a judicial organisation which will afford equal and regular justice to all.

In the end the Mandates Commission did not come to a definite conclusion, but more than hinted to the Council of the League that the proposals that had been put forward by the British and Iraquian Governments might be accepted. In its opinion the report which had been submitted to it, and the verbal explanation of the High Commissioner, contained nothing to form an impediment to the emancipation of Iraq. As to the protection of minorities, Iraq would have to sign an agreement similar to those signed by other members of the League who have contractual obligations towards minorities. It was felt that there should be adequate protective guarantees, especially for Christian minorities. The Commission declared that the Treaty of Alliance between Iraq and Great Britain contained certain clauses which were not usual in such treaties, but on account of the special circumstances of Iraq, both geographical and political, it might be considered that they did not impair the degree of independence which was requisite for a State's admission to the League.

A related matter which had hitherto been left in abeyance but now called for settlement was a delineation of the frontier between Iraq and Syria. At the joint request of the British and French Governments this matter was referred to a special commission with instructions to visit the region in dispute.

King Feisal took advantage of a visit to Europe in the summer to make a state visit to Angora, which was accepted as an indication of the great improvement in the relations between Iraq and Turkey.

October saw the resignation of the Cabinet which had made the treaty with Great Britain and the installation of a new Government under the same Prime Minister, General Nuri Pasha es Said. There were very few changes in personnel, the principal one being the disappearance of Muzahim Beg Pachachi, whose resignation had precipitated the crisis. Two months later a Treaty of Friendship and Amity with the Yemen was concluded and ratified by the Chamber of Deputies.

The surveys for the proposed pipe-line and railway from Iraq to the Mediterranean on which the hopes of Iraquian prosperity largely depended, were completed during the year. The latter project was, however, indefinitely postponed, partly on account of the difficulty in raising the required capital, partly on account of doubts whether the project if realised would ever be remunerative. The case was, however, different with regard to the pipe-line. By the terms of the agreement between the Iraquian Government and the Iraq Petroleum Company this line must be completed by the end of the year 1935, and the survey having been finished preparations at the end of the year were going forward busily for the commencement of the work. The difference with the French Government regarding the port of destination on the Mediterranean had been removed by an agreement which met the wishes of both parties. The line before it reaches the Mediterranean will bifurcate, one branch going to Tripoli in Syria and the other to Haifa in Palestine. In the same convention between the Company and the Government the sphere of exploitation of the Company was rearranged and the Company given a monopoly of the oil-bearing fields east of the Tigris. The Company on its part undertook to pay a consolidated royalty of 400,000*l.* per annum from the date of the new agreement. It is understood that from 10,000,000*l.* to 12,000,000*l.* will have to be spent by it on the works it has undertaken.

PALESTINE.

The Report of the Wailing Wall Commission which had heard evidence in Palestine in July and August, 1930, was not published until June 8, almost a year later (58-9096 of 1931). In the meanwhile ineffectual efforts had been made by the Government, with the approval of the Commission, to arrange an agreement between the representatives of the Jewish and Moslem communities on the matters in dispute. The Commission decided for the greater part in favour of the Moslem contentions. The Wall and Pavement in dispute were found to be Moslem religious property, but the Jews, without securing any rights of property, were to have permission to hold services there on certain occasions. This permission included the placing of ritual furniture at the Wall on those occasions, but the articles were clearly defined and limited. The right of the Moslems to hold religious services in the neighbourhood of the Wall was also recognised, but neither community was to interfere with the services of the other. The decision, except in one or two minor particulars, followed the provisional regulations that had been issued by the Government in the previous year, and these recommendations were, immediately on the publication of the report, given the force of law. The decision was accepted by

the Jews with resignation. The Moslems, however, expressed themselves dissatisfied and stated that they **would** have to consider what further action would have to be taken. This threat was, however, never translated into reality, and with increased police protection the Jewish services at the Wall continued unmolested.

When the year opened the Passfield White Paper held the field and the Zionists were still in a state of resentful excitement. The Arabs also were not altogether satisfied, although more pleased with the British Government than they had been for many years. In January the Arab Executive at length decided on the terms of its address to the British Government in reply to the White Paper. This reply may be summarised as a demand for the withdrawal of the Balfour Declaration and the abolition of the Mandate, the former as being contrary to the promises made to the Arabs and to Article 22 of the Mandate, and the latter as being contrary to the natural and national rights of the Arabs. The Arabs also demanded the establishment of a Government for Palestine responsible to an elected Parliament ; they considered that the first duty of Great Britain was to prevent the transfer of Arab lands to non-Arabs and definitely to prohibit the immigration of any Jews. Finally they pointed out that under the Ottoman Government the Arabs of Palestine enjoyed a wide measure of self-government, possessing administrative councils, general councils, municipal councils, and Parliamentary councils, and that they shared with the Turks in every form of administrative activity.

The Government gave no direct reply to this communication, but Dr. Weizmann and the Zionist Organisation had in the meanwhile been in consultation with them regarding misunderstandings and apparent ambiguities in the Passfield White Paper. In order that these misunderstandings might be removed the Prime Minister wrote to Dr. Weizmann in February giving an authoritative interpretation of the Government's policy laid down in the White Paper. He considered in turn the various points in the White Paper which had been particularly attacked, and explained that in referring to landless Arabs it had in mind only those recently displaced owing to the acquisition of land by Jews. He denied that the statement of policy implied any prohibition of the acquisition of additional land by Jews, and proposed a new inquiry to ascertain the amount of land available for settlement and the temporary establishment of a centralised control of land transfer. Mr. MacDonald recognised the right of the Zionists to employ Jews only on works carried out by the Jewish Agency, admitted the right of the Jews to an appropriate share in employment on public works, but insisted on retaining control over immigration on economic grounds. The Prime Minister reminded Dr. Weizmann that a satisfactory

solution of the problem of administering Palestine under the Mandate depended on an understanding between the Jews and the Arabs, and that until that was reached considerations of balance must inevitably enter into the definition of policy.

Dr. Weizmann expressed himself satisfied with the terms of this letter and stated that it furnished a basis for renewed co-operation with the Government.

The satisfaction expressed by the Zionists reacted immediately in a feeling of dismay and suspicion on the part of the Arabs. Influenced by the Zionist satisfaction they read into the document far more than it contained. Extremists at once raised the cry of treason, and the more moderate, taking up the Zionist cue, complained that much that had been considered settled in the previous October was again unsettled. One immediate consequence was the proclamation of a boycott of Jewish merchants and shopkeepers, in retaliation, it was said, for the Government's encouragement of the boycott by Zionists of Arab labour. The response, however, was inconsiderable, and the boycott, if it can be said ever to have been effective, quickly died away.

Two matters of considerable importance were passed over in silence in the Prime Minister's letter. The one was the proposed Development Scheme and the other the institution of a Legislative Council. On the former the Secretary of State invited representatives from the Zionist Organisation and the Arab Executive to consult with him in London. The latter body, however, declined the invitation, refusing to meet Zionist representatives. The heads of the Executive, however, in their personal capacities met the High Commissioner and discussed the question with him so that the Secretary of State when he came to a decision in June was in a position to know the attitude which the Arab Executive had adopted. That this refusal of a formal meeting was not unanimous was shown by the resignation, afterwards withdrawn, of the President of the Arab Executive, Musa Kazim Pasha. The decision of the Government was embodied in a despatch to the High Commissioner of June 26 defining the functions of the new Director of Development, who was appointed at the same time. The instructions to the newly appointed director included the ascertainment of the number and names of Arabs who had been forced off the land in consequence of purchase by Jews and the preparation of a scheme for the reinstatement of those who were without adequate means of existence on other land. Further, he was to investigate the methods of putting into force a policy of land settlement in regard to other Arab agriculturists whose lands were insufficient and also to Jewish newcomers. This despatch was not received with favour by the Zionist Organisation, which had insisted in its conversations at the Colonial Office that the Development Scheme should be so arranged as to benefit both Arabs and Jews equally without any

consideration for prior claims. The new Director of Development was hard at work during the latter half of the year collecting information and material. It was suggested that the floating of the proposed loan would have to be indefinitely postponed in view of the financial situation, but no decision had been announced at the end of the year.

Some weeks earlier, on May 31, the Palestine Government had suddenly introduced and enacted legislation for the provisional protection of the interests of existing Arab occupants in cases of the transfer of land to Jewish ownership, as had been recommended by the Shaw Commission, and a few days later assistance was given to the sorely stricken agriculturists of Palestine by a remission of taxation additional to that of the previous year.

In the latter part of the year there was a very definite feeling of unrest abroad in the land, active on the part of Arabs, passive on that of the Jews. Undoubtedly this was to some extent encouraged by agitators, but it was largely spontaneous. The Arabs had hoped for much from the recent Government declarations of policy and had been disappointed. The Jews laboured under the cumulative effect of the series of set-backs beginning with the murderous outbreak of August, 1929, from which they had suffered. In addition there was the general economic and financial depression from which Palestine, so largely dependent on foreign tourists and foreign charity, suffered seriously. Bankruptcies and settlements with creditors were numerous and unemployment, both Arab and Jewish, was always unduly large. The agitation among the Arabs seized on almost everything that offered. Since the outbreak of 1921 the outlying Jewish settlements had been supplied with sealed armouries for defence in case of emergency. Many of these had been withdrawn from time to time as the necessity for them seemed to have passed, but after the outbreak of 1929 some of them had been restored. This partial and very limited arming was interpreted by Arab spokesmen as the arming by the Government of Jews so that they might attack the Arabs. So intense did the agitation become that the Government had to warn the Press, suppress meetings, and suspend newspapers. At the same time panic began to spread among the Jews. The Arab Executive issued a provocative manifesto proclaiming a general strike for August 23, the anniversary of the outbreak of 1929. The agitation culminated in a disturbance at Nablus, an extremist Arab centre, in which, after a British police officer and some policemen had been injured, the police fired and wounded two or three Arabs. A number of arrests followed and some of the instigators of the mob were punished, but the warning was salutary and the agitation soon died away. In these circumstances there was no desire on the part of the Jews to celebrate the 2nd of November, the anniversary of the Balfour Declaration, with

its customary jubilation, and the day passed practically unnoticed by both Jew and Arab, the latter of whom had in the past marked it as a day of mourning.

At the end of the year much interest was aroused by a Moslem Congress that was held in Jerusalem in December at the instance of the Mufti of Jerusalem and Shaukat Ali, the Indian Moslem Leader. The programme of this Congress was originally more ambitious than that which was ultimately realised. It was even determined to deal with the question of the Caliphate, which had been in abeyance since the expulsion of the self-appointed Caliph Hussein by Ibn Saud from Mecca and the Hedjaz. There was, however, considerable opposition to the Congress and its programme both within and without Palestine, and the Congress ultimately showed itself little more than an anti-Zionist meeting convened by the Mufti, the most active and consistent of the Arab opponents of Zionism. Part of this anti-Zionist movement was undoubtedly the beginning of the creation of a Moslem Valhalla in Jerusalem. In January the body of Mohamed Ali, the Indian Moslem leader, who had died in London, was brought to Jerusalem and buried within the precincts of the Dome of the Rock with much ceremony. In the summer, when ex-King Hussein of the Hedjaz, the Caliph of a week, died in exile, his body also was brought to Jerusalem to be buried within the same enclosure.

If the Congress convened by the Mufti of Jerusalem did not succeed in attaining the end at which it aimed, it had one consequence that was certainly unexpected and undesigned by its conveners. The Mufti, whose election eleven years ago was hardly with the unanimous approval of the Moslems of Palestine, had in the course of those eleven years aroused considerable opposition, which at times very seriously threatened his position. He had, however, always managed to secure himself by beating the Arab national drum and making support of himself a patriotic duty for all Palestinian Moslems. In this he was as a rule assisted unwittingly by the not very wise politics of the Zionists. On the occasion of the Congress, however, the Zionists refrained from intervening either by speech or writing. Moslem was therefore free to criticise Moslem, even the Mufti of Jerusalem, who, as President of the Supreme Moslem Council, is head of the Moslems of Palestine, without risking the charge of treason and conspiracy with the enemies of Islam. In this condition of freedom all the forces opposed to the Mufti, personally or politically, raised their heads and an anti-Mufti Moslem Congress, far more representative of Palestine Islam, was held in Jerusalem at the same time as that convened by the Mufti. The resolutions of this opposition Congress were mainly directed against the Mufti and his Congress, but that there should be no doubt regarding its attitude towards the Zionist question, it resolved also to call on

the Government to grant the demands of the Arab Delegation to London in 1930 and by that means to secure " the independence of the country, the fulfilling of its natural aspirations and its protection from the Zionist danger." There had been threats that the Mufti's Congress or some of the delegates to it would seize the opportunity to launch attacks on friendly foreign Powers, that is to say, France and Italy, and the Government of Palestine had therefore to make the Mufti understand in advance that no such action would be tolerated. The required assurances were given, but at least one of the speakers could not be restrained, and as a consequence Abdul Rachman Bey Azam, an Egyptian Wafdist, was deported to Egypt before the conclusion of the meetings, by order of the High Commissioner for Palestine, " for making a speech in regard to the Italian policy in Tripolitania which was calculated to embitter the relations between Italy and the Mandatory Government."

Another matter of some anxiety for the Government was the election of an Orthodox Patriarch in place of the octogenarian Beatitude Damianos who had died in the summer. This brought to a head at once the struggle between the Arabophone and the Hellenophone elements in the Orthodox Church in Palestine which had caused physical and mental suffering to the late Patriarch at intervals during his term of office. The election is in three stages, and if all had gone well might have been concluded before the end of the year, but difficulties at once arose and the year 1931 ended without the election of a patriarch. The procedure is for the Synod, which is entirely Greek in race and speech, to select a list of twelve candidates for the approval of the Government. Although the parish priests, all of whom are Arab by race and speech, have no voice in the selection, they have the right to be represented at the choice by twelve of their number. The Government should return the list after striking out the names of any candidates to whom it objects and then the Synod, together with the twelve parish priests, reduces the list to three. The final selection, however, rests with the Greek Synod alone. The Arab community had always objected to this procedure and now called on the Government to alter it. The reply of the Government was that whatever steps they might take could not apply to the present election. Despite the abstention of the Arab orthodox population the Synod proceeded to the selection of twelve candidates, but after this had been done it was found that three of them were ineligible. No further step was taken before the end of the year. A far quicker proceeding was the election of an Armenian Patriarch to fill an office also caused by death. No time was lost in this matter. A suitable incumbent was soon chosen, his name submitted to the Government for approval and enthroned in the presence of representatives of the Government in the Cathedral of St. James at Jerusalem

in December. The visit of the Archbishop of Canterbury to Jerusalem in April also threatened trouble, the Latins on this occasion seeing or pretending to see in the visit an encroachment on their rights. The tact of the Archbishop, however, overcame all difficulties, and visits of courtesy were even exchanged between him and the Latin Patriarch.

On November 20 the new High Commissioner, Lieutenant-General Sir Arthur Wauchope, took up office. A change of policy was read by some observers into the appointment of a soldier, which was said to have been made at the instance of the Jewish Agency. But it is unlikely that the Government had in any way been influenced in its choice. It was probably thought that in the unsettled state of the country the presence of a soldier instead of a civilian in the highest office would have some effect in repressing prospective disturbers of the peace and in reassuring the timid, neither of these classes being inadequately represented in the population.

The enlarged Jewish Agency came into existence in August, 1929, simultaneous almost with the American financial collapse. This misfortune alone was sufficient to explain the failure of the new organisation to realise the financial anticipations that had been aroused by its creation. For practically all the new sources of revenue that the Agency should have tapped were in the United States. The consequence was that the income of the Zionist Organisation in 1928, which was then insufficient to support the tasks it had undertaken, exceeded that of the Jewish Agency for any year that succeeded it. In fact every year the revenue of the Agency fell, and in 1931 it was so low and so irregular as to place those who were responsible for the maintenance of Jewish effort in Palestine in a state of great anxiety and those who were dependent on them almost in despair. The month of July saw the holding of the biennial Congress at Basle. This Congress was noteworthy for the dismissal of its President, Dr. Chaim Weizmann, the creator of the whole of the post-war Zionist movement, and of its successes. He was made the scapegoat for the series of disappointments which the body of Zionists had suffered. They had expected to have created a Jewish state with a Jewish majority in ten years. The realisation that such a goal was still far off, if it were at all attainable, that the present generation would have to be satisfied with far more modest results could not be faced. Dr. Weizmann was the sacrifice. As his successor, the septuagenarian Mr. Sokolow, who had been closely associated with Dr. Weizmann in his work from the outbreak of war, was chosen. This was a guarantee that there would be no real change in policy, but the fire and incentive of Dr. Weizmann would be lacking.

The long-drawn-out discussions regarding the terminus of the pipe-line to be constructed from the Mosul oil-fields were

ended in the course of the year by means of a compromise. There will be two termini on the Mediterranean, one at Tripoli in Syria, the other at Haifa. The construction of the pipe-line, which must be completed by the year 1935., and the completion of the harbour at Haifa, which is almost within sight, will, it is anticipated, give a considerable fillip to the prosperity of Haifa and of Palestine.

In the autumn there was an outbreak of brigandage that, in view of the social and public standing of some of its victims, attracted widespread attention. Several of the criminals were, however, quickly caught. The year also saw the second census of the population conducted by the British Administration (on November 18). The figures, 1,035,154 for all communities, disclosed two surprises—an unexpectedly large growth of the Arab population and lower figures than were anticipated for the Jews (175,006). The latter disclosure is to be attributed apparently to relatively high figures of emigration in recent years.

SYRIA AND THE LEBANON.

The Constitution granted to Syria in May, 1930, was to remain in abeyance until General Elections had been held. These were appointed for December, 1931, and January, 1932, and during the long interval there were many discussions around rumours that, following the example of the British in Iraq, a Treaty of Alliance between France and the states under the Mandate would take the place of the present Mandatory status, and that either Syria alone or a federation of all the states would thereupon become a kingdom. The nominees for the throne were several and curious. At one time the strange suggestion was made, and widely believed, that Feisal, King of Iraq, while retaining that kingdom would also ascend the throne of a federated Syria, in one capacity being under British protection, in the other under French. Another rumour was to the effect that Ali, the brother of Feisal, who had been King of the Hedjaz for about a week, until he had been ejected by Ibn Saud, was to be the King of Syria. After these nominations had been forgotten, a new nominee in whom apparently many believed arose in the person of Abbas Hilmi, the ex-Khedive of Egypt, who had but recently renounced his claims to the Egyptian throne.

As a preliminary to the elections and the enforcing of the new constitution the High Commissioner, immediately on his return from France in November, dismissed the nominated Syrian Cabinet and replaced it by an Advisory Council with a fairly wide basis, including even rebels of 1925. At the same time he assumed formal responsibility for the government of Syria. The first stage of the elections took place on December 20 and led to riots and bloodshed at Damascus, Hama, and Aleppo, in consequence of which it could not be completed.

A sudden visit in the middle of December paid by the High Commissioner to Jebel Druze led to the belief that in the changes that were pending the independence of the Druze territory of the other states of Syria would be preserved.

ARABIA.

Little news came out of Arabia in the course of the year 1931. In April the Wahabi and Iraquian Governments, previously hereditary enemies, concluded treaties of friendship and arbitration, and, as a sequel, negotiations regarding religious trusts, passports, and Custom dues in which both Governments were interested were opened. Rumours of trouble between Nejd and the Yemen later in the year were found to be unfounded or grossly exaggerated. They may have been merely a distorted echo of a treaty of friendship between Iraq and the Yemen which was signed in December, directed against no other state. A few months earlier, however, relations between Nejd and the Zaidi Imam Yahya of Sanaa, which had never been friendly, became strained over the Emirate of Asir, which Nejd had in fact annexed a year previously and which Sanaa had always coveted. The excitement and alarm were, however, dissipated after short duration.

Farther south, in Aden, the question of the form of administration came under discussion although it had been apparently settled, by a partial withdrawal from Indian control, only four years ago. The relations with the Imam Yahya also remained unsettled throughout the year. Despite the force that had been used to expel him, this ruler still remained in occupation of parts of the Aden Protectorate at the end of the year. More urgent than the recovery of this territory was the good administration of the remainder. The British and Aden Governments were disinclined to accept direct responsibility for this. But a solution was found in a sort of co-operation between the tribes inhabiting the territory, for purposes of frontier defence, negotiations with other authorities and the settlement of local difficulties. These proposals were accepted by the heads of all of the tribes concerned, and have been worked so satisfactorily as to justify the suggestion that they have effected a permanent settlement.

CHAPTER VII.

THE FAR EAST : CHINA—JAPAN—THE DUTCH EAST INDIES.

CHINA.

EARLY in the year a cleavage showed itself in the governing clique between the sections led by Chiang Kai-shek and Hu Han-min respectively. The latter objected to the dictatorial powers exercised by Chiang, and jealousy between Canton and Nanking was also a motive. Differences came to a head at the beginning of March, when the Standing Committee of the General Executive of the National Party decided to draft a provisional Constitution applicable to the period of political tutelage for presentation at the People's Convention which was to be held on May 5. Hu Han-min saw in the Convention a mere device for securing power to Chiang Kai-shek and a violation of the principles of Sun Yat-sen, and he accordingly tendered Ms resignation as State Councillor and President of the Legislative Council. At the same time, Sun Fo, the Minister of Railways and son of Sun Yat-sen, and Wang Chung-hui, the Minister of Justice, broke with the Government and formed designs to overthrow Chiang Kai-shek and his brother-in-law T. V. Soong, the Minister of Finance, and restore the supremacy of the Kuomintang Party. Together with others from the Canton faction they issued a manifesto declaring that the elections to the Convention would be a fiasco, that the Convention would be "packed" by Chiang, and that its whole purpose was to seat him more firmly in the dictatorship.

The People's Convention duly met on May 5 in the Central University, Nanking, 475 delegates being present out of a total of 530. A draft Provisional Constitution was laid before it, of which the basic provision was that China should be a Republic with sovereignty vested in the people, but that during the period of political tutelage, in accordance with the programme laid down by Sun Yat-sen, the Kuomintang should exercise governing powers through a Nationalist Government on behalf of the people. The Constitution guaranteed to the citizen liberty of the person, of conscience and speech, security for property, and freedom of the Press and the right of association. The President and the Government were to be responsible to the Kuomintang, and there was to be a considerable measure of provincial autonomy. The Constitution was unanimously adopted by the Convention on May 12, and it was decided that it should come into operation on June 1.

Meanwhile the Canton faction had openly raised the standard of revolt against the Nanking Government. At the end of April

General Chan Chai-tong issued a proclamation announcing the independence of the provinces of Kwangtung, Kweichow, Kwangsi, Fukien, and Hunan. On May 14 his troops attacked two regiments loyal to Chiang Kai-shek at the Whampoa Military Academy near Canton and overcame and disarmed them. On May 28 a new Government was inaugurated at Canton with the title of the National Government of China. It was headed by a Governing Council of 16, of which the chief members were Sun Fo, Tong Shao-yi, Wang Ching-wei, and Eugene Chen. The new Government demanded control over the maritime Customs revenues of the provinces of Kwangtung and Kwangsi, and the Inspector-General of Customs complied under protest, after safeguarding the foreign loan service.

After one or two false starts, the Cantonese troops commenced to march northwards against Nanking in the middle of September. Before they had got very far, however, the Sino-Japanese crisis (*vide i?ifra*) broke out, and the two factions determined to compose their differences in face of the common enemy. Cantonese delegates were sent to Nanking, and before long an agreement was reached by which supreme power was restored to the Kuomintang, and the Cantonese section was given a preponderating share in the administration. In December the Ministry resigned, and a new Ministry was formed in which Eugene Chen was Foreign Minister and neither Chiang Kai-shek nor T. V. Soong was included.

At the end of June diplomatic relations between China and Japan were resumed, after a suspension of two years, through the appointment of Mr. Shigemitsu, Japanese Charge d'Affaires in China, as Minister at Peking. This friendly advance, however, was soon followed by events which caused a serious rupture between the two countries. In July violent anti-Chinese riots broke out in several towns in Korea as a result of a brawl between Chinese and Koreans at Wanpaoshan, in Manchuria. At Heijo nearly 100 Chinese were killed and great damage was done to Chinese property. The Japanese Government, on receiving representations from China, offered to make restitution, but not on the scale demanded by China. In consequence of this, and of long-standing friction between Chinese and Japanese in Manchuria, a wave of intense anti-Japanese feeling swept over the country, and a boycott was commenced.

Japan on her side had ample grounds of complaint against China for the infringement of her treaty rights in Manchuria, and, being unable to obtain satisfaction, in the middle of September began to take military action in that province (*vide Japan*). Chang Hsueh-liang, the Governor of Manchuria, was at that time in Peking, and he telegraphed to his troops to offer no resistance. When the Japanese occupied Mukden, the Chinese seat of government was removed to Chingchow. The Government at Nanking made vigorous protests to Japan, calling upon her to

draw her troops back within the railway area (where they were permitted according to treaty), and on receiving no response, appealed to the League of Nations for intervention under Article 11 of the Covenant. Japan soon after withdrew her troops from most of the places she had occupied, but retained Mukden and also Kirin, which was far outside the railway area. The Japanese also tried to foment secessionist movements among the Chinese in Manchuria. In the middle of October fighting took place between Ma Cheng-shan, a general of Chang Hsueh-liang, and Chang Hai-peng, an insurgent general supported by the Japanese, in the course of which a railway bridge over the Nonni river was destroyed. When the Japanese sought to repair it, they were attacked by some Chinese troops, and this led to a general engagement between the Japanese force and General Ma, in which the latter was completely defeated. The Japanese immediately afterwards occupied Tsitsihar.

Japan declared herself willing to negotiate with China directly, but steadfastly refused to accept the intervention of the League. China, on the other hand, continued to shelter herself under the League, and hence a deadlock arose which had not been resolved by the end of the year. Meanwhile anti-Japanese feeling became more violent, and the boycott was intensified. The Government was accused of weakness, and attacks were made by bands of students on Government offices and officials. It was this popular indignation which brought about the 'downfall of Chiang Kai-shek' (*v. supra*).

Throughout 1931 the Nanking Government was engaged in operations against the bandits who, under the name of Communists, infested Central China, and especially the province of Kiangsi. The bandits were well armed and well organised, and when pressed by the Government troops carried on a guerilla warfare in mountainous country with which they were familiar, so that it was very difficult to strike at them. From documents seized at Shanghai in the summer, it appeared that there was a network of Bolshevist organisation spread all over China and financed from Berlin by bodies known to be offshoots of the Third International. The acute distress prevailing among the population rendered them more susceptible to Bolshevist propaganda than they otherwise would have been. Chiang Kai-shek took the field against the bandits in person in the early summer, but he made little impression on them, although he claimed several victories.

Apart from the ravages of the Communist bandits, China in 1931 was on the whole spared the horrors of civil war, but she was visited by two other misfortunes scarcely less inimical to her economic recovery, one inflicted by man and the other by Nature. The first was the fall in the value of silver by over 50 per cent. This placed a great obstacle in the way of trade and seriously increased the burden of the foreign debt. The suggestion was

made early in the year in **America that China should** raise a large **silver loan** ; it was favoured by Mr. **Hu Han-min** but was **rejected** through the opposition of the Finance Minister, Mr. T. V. Soong. (This was one of the causes of the subsequent split in the Cabinet.) About the same time Sir Arthur Salter, director of the Financial and Economic Section of the League of Nations, accepted an invitation to go to China to advise the Government on the economic reconstruction of the country, and particularly on the question of transferring the Chinese monetary system from a silver to a gold basis.

As if China had not sufficient man-made troubles, she was visited during August by the worst floods within human memory. In the province of Hupeh an area as large as Scotland was turned into a lake. Tens of millions of people were rendered destitute. The Chinese authorities did their best to afford relief, but their resources were quite inadequate to cope with the disaster. They therefore turned to America and Canada, and on September 2 secured an agreement by which 15 million bushels of American wheat was to be sent to the victims, payment to be made at the market price of wheat at the time of shipment in three instalments in 1934, 1935, and 1936. At a meeting of the National Flood Relief Commission on September 9, Mr. T. V. Soong gratefully recognised the sympathy and assistance of foreign Governments, and stated that 70,000,000 Mexican dollars would be immediately disbursed on the preliminary relief plans. Sir John Hope Simpson was subsequently appointed General Director of the headquarters of the National Flood Relief Commission.

Negotiations took place early in the year on the question of extra-territoriality between Sir Miles Lampson, British Minister in China, and Dr. C. T. Wang, Minister of Foreign Affairs in the National Government. On April 3 Dr. Wang expressed in an interview the confident hope that extra-territoriality would soon be abolished, and broadly hinted that if foreign Powers continued to withhold their assent, China would resort to unilateral abolition. The negotiations with Sir Miles Lampson actually broke down on March 3 on account of the refusal of the Chinese Government to assent to the British demand for the temporary exclusion of certain treaty ports from the scope of the agreement. Negotiations were resumed on May 18, but no new development took place in the course of the year.

Some valuable observations bearing on the subject of extra-territoriality were contained in the report drawn up by Mr. Justice Feetham, of South Africa, on the administration of Shanghai, which he had come out to study at the end of 1929 at the invitation of the Shanghai Municipal Council. The first part was published in April and the second part in June. Speaking of the Chinese demand for rendition, he remarked that the existing **system of municipal** government was closely interwoven with

extra-territoriality, and could hardly continue if there were any general relinquishment of extra-territorial rights. He held that rendition would hardly be safe unless four conditions were first fulfilled, viz., that authentic civil authority should be established in Nanking and civil war should cease ; that the rule of law should take root in China, both in idea and in institutions ; that local institutions should be permitted to perform their functions undisturbed by party pressure or illicit interference by the civil or military power ; and that the Chinese community in the Settlement should acquire a sufficient experience in the working of representative institutions.

Much attention was attracted in the summer both in China and in Great Britain by what was known as the Thorburn case. On June 3 a British youth named John Thorburn was arrested by Chinese soldiers at Quisnan, and disappeared soon afterwards. At the request of the British Legation, the Government held an inquiry as a result of which it declared that Thorburn was not held prisoner by the Chinese military authorities. The inquiry was regarded on the British side as wholly unsatisfactory, and towards the end of July the British Minister himself went to Nanking to impress on Chiang Kai-shek the necessity of making further investigations and to insist on adequate and proper protection being afforded to British subjects. In consequence of these representations, further inquiries were set on foot, and it was established that Thorburn, who had been arrested on a charge of shooting two Chinese gendarmes, had been shot by a Colonel Huang in the course of his examination. Colonel Huang was tried by Court-martial and sentenced to fourteen years' imprisonment, and the Chinese Government issued a Note expressing its regret at the affair. An assault committed on British and American women by a crowd of coolies at Hankow on August 13 was also the subject of British representations to the Chinese authorities.

JAPAN.

For Japan, as for most other countries, the year 1931 was one of economic stress and financial anxiety. The trade depression of the previous year had come upon the country at a time when the work of financial readjustment which had been commenced a few years previously had not yet been completed, and in consequence there had at one time been a widespread feeling of uneasiness. But at the beginning of the year M. Inouye, the Minister of Finance, was able to state that, thanks to the precautionary measures which had been taken, things were commencing to become normal again, and to express the opinion that signs of recovery were manifesting themselves in various directions. This estimate proved somewhat too sanguine, as

throughout the year there was a steady if not very marked decline in the country's prosperity. The export trade fell off considerably, and the number of unemployed rose slightly, averaging about 400,000. The revenue returns declined considerably, and in consequence the task of balancing the Budget caused the Government continual anxiety.

In framing the Budget for 1931, the Government reckoned on a drop in revenue of about 150,000,000 yen as compared with 1930. Nevertheless, they thought themselves justified in reducing certain taxes, namely those on land, business profits, sugar, and textiles, on account of the savings effected as a result of the London Naval Treaty. It soon became evident, however, that on this basis there would be a serious deficit, and the Government accordingly decided on a policy of vigorous retrenchment, in accordance with which it was announced in the middle of May that as from June 1 all official salaries exceeding 100 yen per month would be subject to a reduction of 3 to 20 per cent., according to the status of the person affected. This announcement caused a great outcry, especially from the junior ranks of the judiciary and the railway officials. For some days there was an imminent danger of a railway strike, and this was only averted by timely concessions on the part of the Government which materially reduced the value of the economies.

In July the Economy Committee of the Ministry of Finance put forward proposals by which it was hoped that a saving of 55,000,000 yen might be effected. Among the steps recommended were a revision of the Pension Regulations for the Army and Navy, the amalgamation of the Ministry of Agriculture and Forestry with that of Industry and Commerce, and the abolition of the Department of Overseas Affairs, which had only been established three years before. The second of these steps was strongly opposed by the farming community, on the ground that it would mean the sacrificing of the interests of agriculture to those of industry, and as the Cabinet itself was not agreed as to its advisability, it was dropped. The proposal to reduce pensions met with similar opposition from the military authorities, and the Government found itself compelled to come to a compromise with them.

Later in the year a further obstacle was placed in the way of retrenchment by the troubles in Manchuria, while revenue was adversely affected by Great Britain's abandonment of the gold standard. Hence in introducing the estimates for 1932 in November, the Minister of Finance stated that, while a reduction of 49,000,000 yen had been made in departmental expenditure, further drastic economies had become necessary, and it was therefore proposed by means of reductions in salaries and similar steps to cut down expenditure by another 69,000,000 yen. Even so, however, the Budget would not balance, and it would be neces-

sary to meet the deficit by the issue of loans and by additional taxation.

During the first session of the Diet, which lasted from January 22 to March 28, the Government, though commanding a substantial majority, was unable to make much progress with its legislative programme owing to the opposition of the Upper House. This body rejected the Women's Citizenship Bill, which conferred on women the right to take part in local government, the Trade Unions Bill, which gave legal recognition to those bodies and forbade employers to make membership a ground for dismissal or non-membership a condition of employment, and the Bill for mediation in labour disputes. The Electoral Reform Bill, which lowered the voting age from 25 to 20, had to be withdrawn owing to the hostility of the Privy Council. The Government, however, succeeded in carrying through its tax reduction Bill and in obtaining an appropriation of 100,000*l.* for the relief of the poor.

During the early part of the year, Baron Shidehara, the Minister for Foreign Affairs, acted as Prime Minister in place of Mr. Hamaguchi, who was still suffering from the effects of the wound inflicted upon him by his would-be assassin in the autumn. Baron Shidehara was not popular with his own party, not being sufficiently a party man ; nevertheless, a vote of censure moved against him by the Opposition soon after the Diet met was defeated by a large majority. Mr. Hamaguchi resumed attendance in Parliament on March 10, but the strain of Parliamentary work proved too much for him, and soon after the prorogation of the Diet he resigned both his premiership and the leadership of the Minseito Party. He was succeeded in both posts by Baron Wakatsuki (who had been raised to the peerage in recognition of his services at the London Conference), the Ministry remaining the same save for three members. Mr. Hamaguchi died on August 26.

The Government of the Minseito Party was essentially pacific, and sought to carry out the provisions of the London Naval Treaty in the letter and the spirit. For this it was bitterly attacked by the Seiyukwai Party. In a debate on the subject, Baron Shidehara incautiously remarked that the fact that the naval treaty had received the Imperial ratification should convince people that its terms did not imperil the national safety. This attempt of the Minister to shelter himself behind the Imperial authority gave the Seiyukwai an opportunity to raise a storm which interrupted the business of Parliament for several days, and did not completely subside till Baron Shidehara had consented to express regret for his *lapsus lingue*.

More serious consequences followed the attempt of the militarists to force on the country a more "forward" policy in Manchuria. At the beginning of the year Baron Shidehara, in a statement on foreign policy, declared that Japan desired to

live at peace with China, and that she was willing to settle the outstanding questions between them, of which the chief related to the railways in Manchuria, by friendly means. The response of China to this offer was not encouraging, and in the course of the next few months the Japanese had frequent cause to complain that their treaty rights in Manchuria were being disregarded. The idea began to gain ground among the militarist section that it would eventually be necessary to assert Japan's rights by force, and they made their preparations accordingly. In May Viscount Saito resigned his post as Governor-General of Korea and was succeeded by General Ugaki. By the advice of the new Governor, the forces in Korea were strengthened, so that reinforcements could be thrown into Manchuria more rapidly in case of need; and in Manchuria itself the Japanese troops were kept ready for action.

The series of provocative acts on the part of China culminated with the murder on July 29 of Captain Nakamura, of the Japanese general staff, by some soldiers of the Mukden army, while he was travelling in Inner Mongolia. The Chinese proved very dilatory in making reparation, and the Japanese militarists made up their minds to teach them a lesson. On a report (which was denied by the Chinese) that a portion of the South Manchuria Railway track had been destroyed by soldiers from the Petaying barracks near Mukden, Japanese troops in the neighbourhood were mobilised, the barracks were attacked and taken, the arsenal and aerodrome at Mukden seized, and the city itself occupied. The General in command of the Japanese garrison in Manchuria moved his headquarters to that city, and a number of other places were occupied. Most of these were soon after evacuated, but Mukden was retained and a temporary Administration under Japanese control was set up there.

All these steps were taken by the military authorities on their own initiative, without consulting the Government in Tokio. The latter did not venture to disown them, but sought to tone down their effect on foreign opinion by issuing on September 24 a statement declaring that Japan had no territorial designs on China, and expressing willingness to co-operate with the latter in devising means to prevent a recurrence of such incidents, at the same time emphasising the rights of Japanese subjects in Manchuria. In spite of Chinese protests, however, Japan refused to withdraw her troops.

When China appealed to the League of Nations (*vide* China), Japan steadfastly refused to consent to intervention by that body, insisting that the question at issue was one for settlement between the two parties concerned. As a basis for negotiations she demanded a preliminary agreement covering certain fundamental principles, of which the chief were the suppression of the boycott and anti-Japanese agitation in China, the confirmation

to Japanese nationals of the right to trade and settle in Manchuria under a guarantee of protection by the Chinese authorities, and recognition by China of Japan's treaty rights in Manchuria. On October 22 the League unanimously, with the exception of Japan, accepted a resolution of M. Briand which was supposed to cover Japan's demands. When, however, China offered to negotiate on the basis of this resolution, Japan refused to accept it as the equivalent of her own demands, to which she still adhered.

Meanwhile there had been serious fighting in Manchuria, a pitched battle having been fought between the Japanese and General Ma. The latter was defeated and driven north of Tsitsihar, and that city was occupied by the Japanese. The League thereupon made redoubled efforts to bring the parties to terms, and after long deliberations produced on December 9 a resolution which was accepted by both sides. Japan by this, while reserving to herself the right to take any measures necessary for the protection of her nationals, undertook, pending direct negotiations with China, to do nothing to aggravate the situation, and to afford all facilities to a League Commission which was to be sent out to study the situation and to which she was herself to contribute an assessor. During the rest of the year, the Japanese carried on vigorous operations against brigands and disbanded soldiery to the west of the South Manchuria Railway and along the Yingkou-Koupangtze line.

The interference of the League of Nations in the affair was strongly resented by Japanese public opinion, irritation being particular[^] keen against Great Britain, which was regarded as the leader of the opposition to Japan. The Minseito Cabinet forfeited its popularity as a result of its handling of the Chinese question, and it resigned on December 11. It was succeeded by a Ministry drawn entirely from the Seiyukwai Party, which was generally credited with favouring a "forward" policy. The Prime Minister was Mr. Inukai, the leader of the Seiyukwai Party, and the Minister of Foreign Affairs, Mr. K. Yoshizawa, who had been Japan's representative at the League of Nations.

At the end of 1930, friction arose between Japan and Russia as a result of the action of the latter country in forcibly closing the Vladivostock branch of the Bank of Korea and making large demands for arrears of taxes. Japan further complained that after closing the Bank, the Russian authorities had raised the rate of exchange against the Japanese fishing companies on the coast of Siberia, thus making their enterprise unprofitable. After some altercation, an understanding was reached at the end of April. Later in the year the two countries agreed to start negotiations on the subject of the interpretation of the Fisheries Convention of 1928. When the trouble arose in Manchuria, Japan accused Russia of helping the Chinese, but M. Litvinof gave an assurance that complete neutrality was being observed.

In the summer the amalgamation took place of the two Japanese Labour Parties, the Zenkoko Taishuto (All-Japan Proletariat Party) and the Ronoto (Labour-Farmer Party), along with a section of the Social-Democrats, and a new party called the Zenkoko Rono Taishuto (All-Japan Labour-Farmer-Proletariat Party) was formally inaugurated at Osaka on July 5. An attempt was made earlier in the summer to storm the prison in which the Communists arrested in 1929 were awaiting trial, and about ninety of those who took part in it were arrested.

THE DUTCH EAST INDIES.

On the termination of his five years' term of office, Jhr. de Graeff, the Governor-General of the Netherlands Indies, in September, transmitted the reins of office to his successor, Jhr. B. C. de Jonge, whose appointment had caused general surprise. Jhr. de Jonge had been the first civilian Minister of War and, upon resigning this post, a managing director of the Bataafsche Petroleum Co. at The Hague and in London, and afterwards a member of the Board of Directors of the same company. Though his personal qualities were held in high esteem, his appointment was sharply criticised, not only because he had never resided *in* the East, but particularly on account of his close connexion for many years with the Royal Dutch, the influence of which in the Dutch Indies was often considered to be already too powerful. On the other side, it was argued that Jhr. de Jonge, exactly because he was a "new man," would be able to come with an open mind to the question of the development, political and economical, of the Netherlands India, whilst his work for the Royal Dutch would have given him a great knowledge of colonial affairs.

In the session of the People's Council (*Volksraad*) of September 12, Jhr. de Graeff, addressing his successor, claimed that he was leaving to him an India which was politically sound. It had been his misfortune to see during his period of office the country, in sympathy with a world crisis without parallel for decades past, move both financially and economically in a downward direction with disconcerting rapidity. In consequence, there had been imposed on him the difficult and painful duty, not only of renouncing the realisation of various plans for the further development of these territories, but also of considerably retarding the existing plans.

The new Governor-General, in his answer, after acknowledging that he might be regarded as "a blank sheet of paper," stated that the public expenditure of Netherlands India was too great compared with the present revenue. It was absolutely necessary to steer a firm course to the restoration of the balance between expenditure and revenue, however painful such a policy might

be for the Government, and, above all, for those who would **be** directly affected by it through a reduction of their incomes or even the loss of their position. Every effort, however, should be made to maintain as much as possible continuity in the policy of the Government, though in some respects a revision of that policy might be possible. Everything likely to be injurious to the end in view had to be combated. Theoretical arguments concerning the ultimate aim of the political development of these countries or the question whether any such aim in the distant future should be striven after were useless. The Government would assuredly not allow the realisation of an objective, which was in itself commendable and attractive, to be endangered by the fantastic and reckless theories of a small number of people who were evidently of opinion that they served their people by making demands which they knew beforehand to be unacceptable to the Government. It might, however, be stated that the present political position gave no cause for concern, whilst active co-operation between all groups of the population was becoming more and more prevalent. In an increasing measure a progressive policy should be followed which aimed at strengthening the economic capacity of the native population, so that it would form a broader and stronger foundation for the superstructure of State enterprises which had of late developed so rapidly and would doubtless in the future have to be still further extended. Also, attention would have to be paid to the intellectual and cultural needs of that population, in order to make it more and more fit for its task and enlarge and improve its knowledge and capacity.

The world crisis, indeed, to which allusion was made in these speeches, had, during the year 1931, stricken Netherlands India more painfully than perhaps any other country, both the Dutch and the native population, as well as the State, being largely dependent for their income on the sale of sugar, rubber, tin, tea, tobacco, etc., the products which had suffered the greatest fall in prices. The exports fell from 1,788 million guilders in 1929 to 802 million in 1931, the imports in the same period decreasing from 1,166 millions to 608 millions. There was scarcely an estate which could produce at a profit. Despite the return home of a number of European workers, unemployment, especially amongst the Europeans, for the first time assumed disquieting proportions. The re-absorption of superfluous native workers by native society was fortunately facilitated by the favourable condition of the food crops. A considerable decrease in prosperity has, nevertheless, to be remarked.

In order to improve the market position of sugar and thereby **help the** producers, Netherlands India joined the Chadbourne Convention, all the signatories to **which** bound themselves **to distribute their stocks over a period of five years, keep their exports**

during that period below a fixed maximum, and regulate their production in such a manner that at the end of this period there should be no surplus stocks and production should have adapted itself to consumption. This voluntary restriction was supported by a Bill voted by the Volksraad, giving to the Governor-General the power to issue export permits subject to such conditions as he should consider necessary in the interests of the sugar industry and of the population of the sugar-producing districts.

In regard to rubber, Government attempts to carry through restrictive measures continued to meet with great difficulties, owing to the difference in the position of the various groups of producers, and to the fact that the culture, as a result of greatly reduced costs of production, was in a stage of transition.

The tobacco-growers of Sumatra saw their culture threatened, not only by the world crisis, but also by the fact that in the United States the system of coolie labour with penal sanctions was considered as "forced labour," so that the import of Sumatra tobacco into America could be excluded. In fact, however, this system of labour may be best compared with the legal regulations ruling the position of sailors or fishermen. In the beginning of the year an ordinance was voted by the People's Council providing for the gradual substitution of free labour for this system of labour with penal sanctions. In order, however, to avoid the American danger, the Sumatra growers decided to anticipate the effect of the legal measures by at once abolishing voluntarily the penal sanctions.

It goes without saying that the State finances suffered heavily from the economic depression. Whilst the ordinary service of 1929 had yielded a surplus of almost 11 million guilders, that of 1930 was estimated to show a deficit of 84.7 millions. For 1931 revenue had been estimated at 516 millions; at the end of the year it proved to amount to no more than 330 millions, causing a deficit on the ordinary service of 162, and on the whole service of nearly 180 millions. Despite radical retrenchments for 1932, a deficit of almost 154 millions must be counted on.

As one way of meeting the deficit, the Government resolved on a systematic reduction in the expenditure for salaries and pensions. Though the Volksraad, by 29 votes to 26, registered its disapproval of such measures, the Government decided to make a cut of 10 per cent, in all salaries above 50 guilders per month as from January 1, 1931. A revision of salaries and pensions was planned with the object of reducing them to the pre-war level. Fresh sources of revenue were also devised, some temporary, others permanent, among others an excise on tobacco products (15 millions per annum), an increase of the super-taxes on import duties and on the excise on petrol (9.9 millions per annum), and also of those on the company tax and the income tax (3 millions per annum). A Bill providing for a property tax was introduced. A revision of the income tax was contemplated.

The position of the Exchequer was not satisfactory. Despite the issue of a loan of 96 millions, the floating debt at the end of the year had increased. The total Indian debt amounted to 1,126 millions. Provision was made for fresh loans, to a total amount of 250 millions, guaranteed by the Mother Country. The situation of the Central Bank (Java Bank) remained strong, so that the gold standard was maintained.

The Governor-General of the Straits paid a visit to Java, which was returned by the Governor-General of the Netherlands Indies, as was also the visit of the Governor of the Philippines. M. Paul Reynaud, the French Minister for the Colonies, on his journey to French Indo-China, paid a visit to the country. These visits had little political significance.

In September wireless telegraphic communication was officially opened between Java and Sumatra. On October 1 the fortnightly air service, Amsterdam-Medan (Sumatra)-Batavia, was turned into a weekly.

The splendid pavilion of the Netherlands Indies at the Colonial Exhibition at Vincennes (Paris) attracted much attention. Unfortunately, a fire destroyed the exhibit on June 28, and treasures of artistic and historical value that can never be replaced perished in the flames. A new pavilion was inaugurated two months later, on August 28.

CHAPTER VIII.

MOROCCO AND EGYPT.

MOROCCO.

IN the course of the year military operations on a considerable scale were carried out by the French in order to keep in check the nomad tribes in the region of the Middle Atlas, in the south-east corner of Morocco. It was reported in February that aeroplanes and 12,000 troops of all arms were concentrated near the Tafilet zone, on the border of Algeria and Morocco. The dissident tribes were said to be able to muster 45,000 rifles. They gradually retired, however, before the French advance, and were able to inflict very little harm on the peaceful tribes.

In opening the Government Council at Rabat at the end of 1930, M. Lucien Saint, the French Resident-General, commented on the fact that the new Budget of 921,000,000 francs showed an increase of 116,000,000 francs on the last, and stated that, in view of the general economic crisis which had affected Morocco also, by causing a decrease in her agricultural exports, the time for temporary retrenchment had clearly come, and that therefore

schemes of expansion and development which had been drawn up **would** be limited for the time being.

In Spanish Morocco there was a considerable amount of unrest during the year, especially after the declaration of the Republic in Spain. At the beginning of May, serious disturbances took place in Tetuan. The native workmen complained that Spaniards were getting preferential treatment and better pay for the same class of work, and, encouraged by outside agitators, among whom were Spanish Communists, they broke out into rioting and had to be suppressed by military force. For a time there was a danger **that** the unrest would spread to the tribes, who were being incited both by Communists and Royalists. The Spanish Government combated the disaffection by recalling the military Governor, General Sanjurjo, and instituting a civil administration. Later in the year—in September—it was announced that the number of troops in the Spanish Protectorate would be reduced by the disbanding of a regiment and three or four companies. On December 29, a Decree was published in Madrid reorganising the Spanish Protectorate in Morocco under a High Commissioner, to whom the armed forces and the Government of the Moorish Khalifa were to be subordinated. According to the Decree, the Zone was to be divided into military and civil districts, and a civil administration to be installed wherever possible.

The Tangier Legislative Assembly in March re-elected for six years the Administrator, a Frenchman, and the Assistant Administrators for Finance, Hygiene, and Justice, who were respectively British, Spanish, and Italian. In June the Assembly warned the Shereefian Government, the Powers signatory to the Statute of Tangier, and the Committee of Control of the International Zone, that it would be unable to meet its obligations in consequence of the number of charges imposed upon it, the fall in its revenue, and the impossibility of effecting further economies. As a result of this announcement, it was generally recognised that the questions at issue could be settled only by a conference of the Powers interested and not by a mere exchange of Notes, and there was some talk of such a conference meeting in September, but by the end of the year nothing had been decided.

EGYPT.

Ismail Pasha Sidky, who had been appointed Prime Minister **despite** the unanimous opposition of Parliament in the previous year, remained in office throughout the year **1931**, and was able to conduct the General Elections in May under the Constitution **as it had** been amended in the previous October. These elections were held in the teeth of the most determined hostility **of** the **Wafd Party** and the Liberals, the alliance between whom quickly **became very** close. **First** came the announcement that certain

local officials had resigned rather than take part in the elections, although the Government explanation was that they had been dismissed for other reasons. Three months later the two opposition parties issued a joint manifesto announcing their complete political agreement, their rejection of the amended Constitution and of any acts of the Government under it and their determination to boycott the forthcoming elections. The Opposition then entered into a campaign throughout Egypt to induce the electors to adopt their policy of boycott. This campaign, however, partook to some extent of the nature of comedy, for the Government although it had prohibited the meetings arranged for the campaign, circumvented rather than suppressed them. On one occasion, at Beni Suef, the politicians who had come from Cairo were not allowed to leave the railway station premises, and after the lapse of some hours returned to Cairo with their eloquence unquenched. On another the train on which the two leaders of the Opposition, both ex-Prime Ministers, were travelling was diverted to a wayside station in the desert where they and their followers remained until their ardour was cooled.

But the election campaign did not remain as peaceful as these incidents would denote. On other occasions, there were clashes with the police resulting in casualties, incendiarism, and deaths. At the same time the Opposition made a more formal protest in an address to the King signed by some 900 prominent Egyptians, including four former Prime Ministers, against the new Constitution and the elections. Copies of this address were sent to the representatives of the Powers in order to damage the reputation of the Government in the eyes of foreign Governments. Other protests were made by a body of 100 lawyers, a number of prominent Egyptian women, and six princes of the royal house. Nevertheless, the elections were held as arranged, and resulted in an overwhelming majority for the Government, 127 declared supporters out of a total of 150, 67 per cent, of the electors going to the poll despite the boycott. Over 90 per cent, of the electors voted for forty senators, the majority of those elected also being supporters of the Government. There was some rioting and bloodshed on the day of the elections.

Before the elections were held the regime received an appreciable assistance by the announcement that the Khedive Abbas Hilmy, who had been dethroned by the British after the outbreak of war with Turkey at the end of the year 1914, had renounced all his claims to the throne of Egypt and recognised his uncle Fuad as King. As the price of this renunciation Abbas Hilmy was granted a pension for life of 30,000£E. a year.

Parliament reassembled in the last fortnight of the year. Since its last sitting the opposition had become if possible more bitter and intense, the failure of the Wafd to influence the situation showing itself in attacks on the British Government and

policy which were accused of a pretended neutrality but a real support of the Prime Minister, Sidky Pasha, in what were termed his unconstitutional practices. As an offset to these attacks, however, was the adhesion to the Government of some of those who had hitherto been in opposition, notably Ahmed Pasha Ziwar, one of the four ex-Prime Ministers who had in the previous May announced their unswerving opposition to Sidky Pasha and his Government. The programme put before Parliament was largely devoted to measures intended to improve the economic conditions of the country. Some months earlier stringent measures of economy had been decided on by the Cabinet. Now the Government promised measures for the protection and encouragement of local industries and to prevent the dispossession from their lands of peasant owners or tenants who were being ruined by the catastrophic fall in the price of cotton and the consequent inability to satisfy the mortgagors. At the same time further taxation was announced so that the Budget might be balanced. The Government had previously taken other measures to relieve the smallholders. In August it had decided that repayment of the loans it had made to them without interest should be spread over five years, and a further large loan had been made for the benefit of those whose lands had been mortgaged. Three weeks later the cotton tax, which fell on cultivators, was reduced by half, and at the same time the cotton acreage was reduced by 25 to 30 per cent., the cultivation of other crops being encouraged.

CHAPTER IX.

AMERICA : THE UNITED STATES—ARGENTINA—BOLIVIA—BRAZIL —CHILE—MEXICO—PERU—OTHER AMERICAN STATES.

THE UNITED STATES.

ADDRESSING the American Economic Association on the last day of the year, Colonel Leonard P. Ayres, the statistician, put the year 1931 in historical perspective ; he described it as marking the trough of a depression which, for severity, had been paralleled only twice in American history—in the 1840's and again in the 1870's.

All three, he pointed out, were strikingly similar. Each was preceded by the rapid accumulation of debts. The current American indebtedness he put at approximately 153 milliard dollars or " probably half of the national wealth." The Government debt was 17 milliards, and State and municipal debt approximately the same ; Americans owe 40 milliards on real estate

mortgages, and roughly that much on corporation mortgages. Payments assumed under the "hire purchase" system come to between 4 and 5 milliards, indebtedness to the banks to 35 milliards.

But this was not only a "debt depression"; it was simultaneously a "price depression." Prices in all three instances, he pointed out, had fallen 39 per cent. The first two depressions, he remarked, lasted for six years; the current one has now lasted for three years. The first two had been accompanied by defaults by States and municipalities, as well as by banking, railroad and industrial failures. The present depression was running true to form.

This analysis probably agrees substantially with the opinion reached in all responsible quarters. In 1930 the experts compared the slump with that of 1921 and argued the possibility of a similar rapid recovery, but the eccentric developments of 1931 taught pundits and public alike that the trouble was far more deep-seated. The year was one of resignation.

For one thing, it was marked by unprecedented financial difficulties for the Government itself. At the end of the year the Government acknowledged a deficit of 1,385,449,487 dollars, due to the fact that while its receipts from all sources had fallen to 1,148,779,808 dollars, its expenditures—owing largely to persistent Congressional extravagance—had climbed to 2,534,229,296 dollars. Still more disturbing was the official intimation that by June, 1933, this deficit would reach 4,442,000,000 dollars.

President Hoover and Mr. Mellon, Secretary of the Treasury, presented to Congress a programme for reduced expenditures and increased taxation—restoring, broadly, the taxation level of 1924—but the November elections had given the Democrats control of the House of Representatives and they declined to accept the administration's programme; they proposed, instead, to raise the necessary funds largely by increasing taxation on large incomes. Thus the year ended with the question of Government financing well embroiled in politics.

This had a prompt and disastrous effect upon the bond market. During the year the Government, taking advantage of the low money rates prevailing, had successfully issued three long-term loans at advantageous rates of interest. There was one in March for 594,000,000 dollars at 3f per cent., a second in June for 821,000,000 dollars at $3\frac{1}{8}$ per cent., and a third in September for 800,000,000 dollars at 3 per cent. All three were in great demand from investors who were alarmed at the severe decline in ordinary securities.

But the discovery that the deficit was mounting unchecked and that further long-term financing—perhaps up to $1\frac{1}{2}$ or 2 milliard dollars—was inevitable in 1932, led to heavy selling of all three issues in December. The September issue had a

sensational fall, from 99 dollars to 82 dollars—a spectacle never seen before by the present generation of American investors.

On January 14 the interest rate for six months' loans in New York fell to 2 per cent., the lowest recorded in thirty-seven years. But this cheapness of money was somewhat illusory, for it represented the scarcity of first-class borrowers as much as it did an abundance of credit. Actually the banks of the country called in loans widely in order to meet the persistent drain on their resources.

This process certainly increased the difficulties of business and probably increased unemployment, but it saved the country's banking system from a breakdown such as has characterised every previous depression.

According to the Federal Reserve Board, the total number of bank failures throughout the country in 1931 was 2,290, with total deposits of 1,759,000,000 dollars (352,000,000l. at par). This included 410 National Banks and 108 State-chartered banks which were members of the Federal Reserve system, as well as 1,772 non-member banks. The number of banks was large, compared with other years, but the amount of deposits involved was small, actually less than 2 per cent, of the country's total deposits at the beginning of the year. In that sense, the banking system withstood the strain better than at any time in the past. There were no failures of large banks, though in Chicago and a few other places, where excessive "runs" had developed, there was the prompt merging of exposed banks with stronger institutions. And there were some fifty towns and small cities with no banking facilities whatever.

But the year was a nightmare to all bankers, even the strongest. The public, alarmed at the reports of bank failures, began to withdraw its deposits and to "hoard" them, in the form of bank-notes, in safety-deposit vaults. This "hoarding" reached its peak in September when it was estimated that between 1½ and 2 milliard dollars of the country's monetary stock had been withdrawn and secreted. Many business firms withdrew their working capital—occasionally as much as 250,000 dollars—and kept it in the form of bank-notes in their vaults.

To relieve sound banks who were finding it difficult and costly to realise on their loans and investments, the leading New York banks organised in October the "National Credit Corporation," with a capital, subscribed by the banks, of 50,000,000 dollars. This institution was to assist banks whose assets were sound, though more or less "frozen."

But the scheme was on too small a scale to be effective. Not only were banks in difficulty, but railroads and other corporations were badly in need of assistance. In December President Hoover submitted to Congress a scheme for a vastly larger enterprise, to be known as the "National Reconstruction Corporation,"

with resources of 2 milliards, of which the Government would contribute one-fourth. Congress, with its eye on vote-catching, amended the proposal so as to provide that relief should be given to closed banks—for the sake of their unfortunate depositors—and to the farmers. This threatened to weaken somewhat the full force of the scheme, but Mr. Hoover accepted the situation and the Bill became law at the end of the year. Mr. Charles G. Dawes resigned as Ambassador to Great Britain to become President of the new corporation.

Many European critics, especially in Paris, suggested that the scheme was an "inflationary" one in that it created additional banking credit out of nothing, but the American view, in the main, was that its effect would be merely to end the severe "deflation" prevailing. Bonds recovered strongly in December on the hopeful spirit engendered.

Unemployment increased, though reliable figures as to its actual extent were not available. The popular estimate was 7,000,000 unemployed. Private philanthropy exerted itself to meet the widespread destitution. In the various cities the great drill halls of the National Guard regiments—the "Territorials"—were converted into dormitories for homeless men, women, and even families. At all the great football games, such as those between Harvard, Yale and other Universities, collections were taken for relief of the unemployed. One day a great airship droned its way over the skyscrapers of New York City, and from the airship came a voice, enormously magnified, reminding the staring denizens of the office buildings that they all had jobs and begging them to remember those who were less fortunate. "Give until it hurts."

But private philanthropy found the situation beyond its resources; most of the cities and States had to appropriate funds for relief, and there focussed upon Congress all sorts of demands for Federal funds and for various systems of unemployment insurance. The "dole" has always had a bad Press in the United States, but the year brought many converts, and the pros and cons may possibly figure in American politics over the next few years. Wage reductions were numerous and were accepted with unusual meekness; industrial disputes were few, and only one, a strike of coal-miners in Kentucky, aroused national attention.

But the year differed from 1930, not only in the increased severity of the depression, but also in the increased awareness of international conditions. The Press pointed to the great decline in export trade and Wall Street discussed rumours that the New York banks, which had loaned between 500,000,000 and 600,000,000 dollars to German banks, were finding it difficult to recover their funds. Leading bank shares began to decline sharply in May, when the Austrian Credit Anstalt difficulties

emerged to public view, and continued to fall as Central European conditions worsened.

Throughout the spring bankers tried to convince President Hoover that Germany was heading for disaster, that she would be physically unable to make her semi-annual reparation payments in midsummer, and that a moratorium generously tendered by the United States to the debtor Governments would give Europe a breathing space and probably bring about an upward trend in world conditions.

Mr. Hoover was reluctant to move. He was afraid that American opinion, thoroughly dissatisfied with a Europe which, year after year, had nullified American attempts at disarmament, would find such a "gesture" quixotic and unjustified. Moreover, the Treasury, which was using the annual payments (amounting to 250,000,000 dollars) to retire the Liberty bonds as they came due, was counting upon the full 1931 payments.

But all through June almost daily telephone conversations between Washington, New York, Paris, London, and Berlin made it clear to the President that disaster was approaching in Europe. He sounded the leading Republicans and Democrats in both Houses of Congress and received assurances that Congress would approve of an offer of a limited moratorium. At 4 o'clock on Saturday afternoon, June 20, the newspaper correspondents were hastily summoned to the White House, only to be sent away again, for at the last moment some hitch had occurred. At 6.30 they were again summoned, and Mr. Hoover, in a voice showing the strain and excitement under which he had been labouring, read to them his famous proposal for a moratorium for one year on German reparation and war-debt payments. The sums due this year, he proposed, should be paid in ten annual instalments with 4 per cent, interest, beginning June 30, 1933. The offer was conditional upon universal acceptance.

Mr. Hoover was careful to guard his political position, pointing out that the moratorium implied nothing as to future reduction or cancellation of the debt. It was a step designed solely to give Europe time to recuperate.

Nobody was more surprised than Mr. Hoover at the instantaneous popularity of his move. The newspapers were lyric in praise of it; politicians of all shades of opinion pledged their support; the White House was deluged with telegrams and letters of approval. The stock market reversed itself and began to climb.

Disappointment came within forty-eight hours. The cables reported that Paris was annoyed and aloof; she was inclined to ask what it meant. A fortnight followed of anxious discussions between France and the United States, with Mr. Mellon, Secretary of the Treasury, travelling to Paris to persuade the French authorities not to make difficulties.

He was unsuccessful. The French Government, on July 4, presented to Washington various proposals for the modification of the original offer. These were rejected by Washington, but the latter made a counter-proposal: that France accept the scheme "in principle," and leave to a conference of technical experts those practical modifications which she desired. To this France agreed on July 6. Mr. Hoover expressed his gratification, but the country was thoroughly disillusioned and once more inclined to withdraw from so hopeless a mess as Europe.

Franco-American relations were not improved by what appeared to be a French "attack upon the dollar" in October. Ever since early 1929 the Bank of France and the leading French banks had maintained very large funds in the United States. In fact, there had been a real "penetration" of the American banking system, for institutions as far West as Chicago, St. Louis and Minneapolis had been, much to their surprise, offered extensive French deposits, largely recallable on demand. In many instances these deposits were accepted, and when Great Britain departed from the gold standard on September 21 these French funds (together with other Continental funds) amounted to between 1 and 1 ¼ milliards. In the main, American banks paid 1½ per cent, on these French balances, which they invested in bills of exchange paying 3¼ per cent.

The shock of Great Britain's departure from gold led in October to wild rumours in Europe that the United States would be similarly forced off the gold standard. In Poland, where some 60,000,000 dollars of American bank-notes had been hoarded, there was a rush by alarmed peasants and shopkeepers to get rid of the notes. The Bank of Poland bought some 20,000,000 dollars worth at 94 cents on the dollar and forwarded them to New York for gold, making an attractive profit. Similar situations developed in other countries. Simultaneously the French banks began to recall their New York and interior deposits, taking them back in the form of gold. About 606,000,000 dollars in gold left New York in the first three weeks of October and another 600,000,000 dollars was in obvious jeopardy.

The question raised everywhere in Europe—and greatly resented in New York—was whether the "free gold" in the United States was large enough to stand further strain. Some of the French banks suggested that if the interest rate were raised from 1½ to 2 per cent., the French balances would be allowed to remain, but the New York clearing banks met on October 21 and agreed unanimously not to make the concession. "Let them take back their balances in gold." Gold continued to flow to Paris—in all about 728,000,000 dollars left in October, reducing the country's monetary stock of gold from its record "peak" of 5,015,000,000 in September to 4,287,000,000 at the end of October. Then the outward flow ceased and the gold supply,

largely from South America and Japan, increased moderately toward the end of the year. Total gold exports (and earmarking) during the year came to 985,355,800 dollars and total imports to 766,164,300 dollars, leaving a net loss of 219,191,500 dollars. But for the "run on the dollar" in September and October, which took 851,351,000 dollars out of the country, the year would actually have seen a vast increase in the country's gold stock.

Into this critical atmosphere M. Laval, the French Premier, launched himself in October in a hurried visit to President Hoover for a personal exchange of views. He arrived in Washington on October 24 and was the President's guest for two days. Perhaps he succeeded in impressing upon the President that the latter was not the only one with a strenuous public opinion with which to reckon; if so, that was the only result achieved. At the conclusion a somewhat colourless joint statement was made public; its solitary point of interest was a single sentence: "We recognise that, prior to the expiration of the Hoover debt holiday, some agreement regarding them [international debts] may be necessary covering the period of business depression." M. Laval also saw Senator Borah, who, with the help of an interpreter, sought for two hours to convert the French Premier to the idea that France would be safer than at present if the Versailles Treaty were drastically revised. The Senator, who is the powerful chairman of the Senate Committee on Foreign Relations and has long had the ear of the country, made no headway with M. Laval, but later, in reply to questions from the French newspaper correspondents, he outlined what is almost certainly the opinion of America.

"I do not believe," he told the busy French scribes, "that there can be any real disarmament in Europe so long as certain conditions arising out of the Versailles Treaty continue . . . the Polish corridor, for instance. And there is Hungary, divided into five parts, and so long as she is divided that way they will keep their division by force of arms. You cannot expect Yugoslavia and Czechoslovakia and Rumania to disarm while part of the territory they have is in dispute . . . and I would change the situation with regard to Upper Silesia if I could—the plebiscite, in my judgment, was all the other way." Questioned about reparations, he replied that France and Belgium were entitled to damages for actual injuries, but he had never felt that "indirect damages" had a proper place under "reparations." "Would you advocate absolute cancellation of debts and reparations?" he was asked. "Yes, but I should want them accomplished simultaneously; otherwise something might happen."

Since all this was cabled fully to Paris, it is probable that each of the two countries had a fairly clear view of public sentiment in the other. The national positions could scarcely be further apart.

By the time Congress had assembled in December, a strong anti-European reaction had set in. Mr. Hoover, in his message on December 10 asking for the ratification of his moratorium proposal, also pointed out that some of the debtor countries might be unable to resume their payments at the expiration of the moratorium, and he thought it would be well to revive the old Foreign War Debts Commission in order to make necessary adjustments. But Congress refused to assent to this ; it passed a joint resolution approving the moratorium, with a rider expressly stating that this Congress does not approve of the reduction or cancellation of the war debts. This expression of opinion does not, of course, bind any future Congress, but it probably reflects the national temper.

That temper is easily described. Not since 1921 has any American Senator or Congressman ventured publicly to defend the Versailles Treaty. Even the Democrats, who, at the time, swallowed their misgivings about it out of loyalty to Mr.- Wilson, have long ceased to defend its terms. At its doors are laid all the ills from which Europe is suffering,—the international ill-will, the heavy armaments, the menace of Hitlerism and Communism. Why then—thus has long run the tenor of congressional speeches—should the United States, which spent 17 milliards as its own costs in the war, make a free gift of 7 milliards more—by cancelling the debts—to a Europe still stubbornly enamoured of that war-breeding document ?

This argument was again raised *in* the debate on the war debts with, however, a new point. Two prominent Democratic speakers pointed out that Europe's inability to pay her debts to the United States was partly due to the high American tariff. European Governments, they said, should propose a general reduction in tariffs, and if, as seemed probable, a Democratic administration was shortly in power in the United States, they would find the American Government receptive to such a proposal.

With the political tide running strongly in favour of the Democrats, these two speeches—of Senator Cordell Hull of Tennessee and Congressman Rainey, the Democratic floor-leader—may prove to be of considerable significance.

The only other international development engaging the administration was the Japanese-Chinese dispute over Manchuria. The Government sent Mr. Prentiss Gilbert to Geneva in October to work with the Council of the League of Nations toward an amicable settlement of the dispute. Japan rather demurred to this as an irregularity raising difficult questions of League procedure, but the American Government made it plain that Mr. Gilbert was to participate in the Council's discussions only when they related to possible application of the Kellogg-Briand Pact to "outlaw war," and that on all other aspects of the Sino-Japanese dispute he was to act merely as an "observer and

auditor," reporting to the State Department. There the matter stood at the end of the year.

The President had considerable difficulty with the "Big Navy" forces who resisted violently his attempts to have the army and navy estimates cut to the bone. The current naval appropriation called for 360,000,000 dollars, but the Navy Department asked that it be raised to 401,000,000 dollars; Mr. Hoover retorted by insisting that it be cut to 340,000,000 dollars. The Sino-Japanese flare-up in December strengthened the "Big Navy" forces and the year ended with the issue in considerable doubt.

Crime and prohibition came into greater prominence during the year. A college professor, after laborious tabulation, reported in May that crime news occupied 17 per cent, of the news columns of leading American newspapers and about one-third of the average "front page." Another professor, in a paper read before the American Association for the Advancement of Science, characterised the United States as the "most murderous country in the world." While the big cities, like New York and Chicago, had the most murders because of their size, they were far down the list, he said, when murders were calculated in proportion to population. Ranked in this fashion, Chicago was fortieth and New York seventy-eighth. Memphis, Tenn., comes first with 58.8 persons murdered out of every 100,000, whereas Chicago, despite its gangsters, had only 14.4 murders per 100,000 and New York only 7.1. Of the thirty cities leading in the murder rate, one was in the West, five in the Middle-West, and twenty-four were in the South, where illiteracy is highest. None was in the Eastern States.

Chicago, with a new Mayor, worked hard to rid itself of its bad reputation. The police were instructed to "shoot to kill" and did so effectually. Seventy "gangsters" were killed during the year—29 by the police, 26 by citizens, 5 by watchmen, and 10 in gang warfare. About 150 were wounded. "Scarface Al" Capone, chief of the "racketeers" who had been preying upon the city for several years, was tried before a Federal judge and jury on the charge of evading his income tax payments. He was convicted in October and sentenced, amid civic rejoicing, to eleven years in a penitentiary. A fine of 50,000 dollars and income tax payments levied mulcted the fallen "gangster" in 277,000 dollars.

In August the Wickersham Law Enforcement Commission issued several noteworthy reports on various aspects of crime and of law enforcement in the United States. The Commission estimated the annual cost of crime, including both the Federal and State efforts to suppress it, at 1,119,790,000 dollars, a staggering total. This is apart from the toll levied upon business by the "racketeers." The estimate included many novel items such

as 3,900,000 dollars spent annually by the banks for the use of armoured cars, 1,000,000 dollars for the installation of tear-gas devices in banks, and 311,000 dollars for bullet-proof glass. The Commission strongly recommended an overhauling of the whole system of criminal law. A new and ominous development was the growth of kidnapping; police records showed that during the year 279 more or less wealthy citizens were kidnapped and held for ransom. Several of the States proposed to make kidnapping in the future a capital offence. Motor-cars killed 34,000 persons in 1931, a number slightly less than the number of American soldiers killed in the war.

The Filipinos continued to agitate for independence. During most of the year they received considerable support from Senators and Congressmen from the "sugar-beet" States who propose to eliminate the present competition of Filipino sugar by cutting the islands loose from the United States. In December Mr. Theodore Roosevelt was appointed Governor-General, in succession to Mr. Dwight F. Davis, who resigned. The Secretary of War, Patrick J. Hurley, personally visited the Philippines; Washington rumours said that he wished to sound out Filipino opinion on a scheme for ultimate independence, perhaps in twenty or twenty-five years. However, the Sino-Japanese affair in December reminded even the "sugar-beet Senators" that if the Philippines were freed they might readily fall into the hands of Japan, and political opinion in Washington draws back from that. Bother-some outbreaks in Cuba, Nicaragua, Santo Domingo, and San Salvador occupied the close attention of the State Department.

But in the main, it was a year of complete preoccupation with financial troubles. The Democrats made gains in numerous states and discussed eagerly who should be their standard-bearer in the presidential campaign of November, 1931. The most conspicuous candidates emerging were Franklin D. Roosevelt, now Governor of New York State, Mr. Melvin A. Traylor, a Chicago banker of "progressive" views, Mr. Owen D. Young who has an international reputation, and Newton D. Baker, who was Secretary of War under President Wilson. That the Republicans will re-nominate Mr. Hoover—for better or worse—is generally agreed.

Several new figures stepped into the ever-shifting spotlight of public interest. Dr. Edgar J. Goodspeed and Dr. J. M. Powis Smith of the University of Chicago announced in September that they were engaged in writing an "American version" of the Bible. The first woman to be elected to the United States Senate made her appearance there in November; she was Mrs. Hattie T. Caraway, widow of the late Senator T. H. Caraway of Arkansas. Dr. Harold T. Brigham of Worcester, Mass., climbed into the hall of fame as the first man to shoot a deer with **bow** and arrow since the Massachusetts legislature, bowing to the

demands of archers two years ago, had made that weapon " legal " for deer hunting.

But to the social historian the most significant event was the appearance and rapid success of a new humorous weekly called *Ballyhoo*, dedicated from cover to cover to satirising American advertising. All the advertisements were bogus,—impudent parodies of all the most famous and familiar appeals to the American purse. Its instantaneous success suggests perhaps that the country regrets the over-spending of the past few years.

ARGENTINA.

During the earlier part of 1931 the provisional Government established by General Uriburu in September, 1930, continued to make good progress with the task it had set itself, of remedying the abuses which had crept into the administration under President Irigoyen and restoring the finances of the country to a healthy condition. Investigations were conducted which brought to light grave financial irregularities, and important economies were effected. In a message delivered to the Argentine people to celebrate the first anniversary of his regime, General Uriburu asserted that reductions of 18 per cent, had been effected in the cost of government, 24 per cent, in subsidies, and 78 per cent, in expenditure on armaments. As a result, the country was able to pay its debt services punctually, the currency maintained its value, and the danger of a financial collapse was dispelled.

This work was carried through to the accompaniment of a succession of plots and revolts organised by the discontented elements, both civil and military. On January 20 three bomb outrages were perpetrated in Buenos Aires by a couple of notorious gangsters who were afterwards found to have been instigated by adherents of ex-President Irigoyen. On February 22 the Government announced that acts "preparatory to a plot" had been carried out in the capital by civilians and officers, and a number of arrests were made. On July 22 the standard of revolt was raised among the troops at Corrientes, in the extreme north-east of the country, and the rising was not suppressed without some rather severe fighting.

From an early point in the year the attention of the Government was occupied by the problem of the return to constitutional rule. General Uriburu had no desire to exercise power against the will of the people, but he was resolved not to yield it into the hands of the adherents of the former regime. He therefore first sought to organise elections in such a way as to secure the defeat of the Radicals and the return of the Conservatives. At the beginning of March, after a twelve days' tour in the northern provinces, in the course of which he received enthusiastic demon-

strations of support, he authorised elections to be held in the Buenos Aires Province on April 5 for a Governor, Vice-Governor, and local legislators, following this up with a manifesto in which he threw all his weight on the side of the Conservative candidates.

The Radical candidates for the presidency and vice-presidency were Sefior Pueyrredon and Senor Guido, both known adherents of Dr. Irigoyen. Though the Radicals did not actually style themselves "Personalistas," they were commonly known by that title and did not repudiate it when applied to them by their political opponents. The elections were keenly contested, about 77 per cent, of the electorate going to the poll. The counting of the votes took about three weeks, but from an early point it was obvious that the Radicals had done much better than anyone had anticipated, and that they were likely to head the poll. President Uriburu found the situation not a little disconcerting, and on April 12 he uttered a warning to the Radicals not to presume too much upon their success, hinting that, as he had taken up arms to overthrow the old regime, so he would if necessary again resort to arms to prevent its restoration. He called upon the Radicals to define their position, and say whether they desired to go back to the old practices, or whether they were willing to collaborate sincerely with him in consolidating the Republic. To facilitate such collaboration, his Conservative colleagues in the Cabinet a few days later placed their resignations in his hands. To these advances, however, the Radicals made no response; and they still further alarmed the Government by giving a hearty welcome to the former President, Dr. de Alvear, when he returned to Buenos Aires on April 25.

At the end of April it was known that the Electoral College, which was to elect the Governor and Vice-Governor of the Province of Buenos Aires, would consist of 56 Radicals, 49 Conservatives, and 9 Socialists. The Radicals obtained 218,780 votes, against 187,742 cast for the Conservatives and 41,577 for the Socialists. General Uriburu, in spite of his previous declaration, refused to accept the result of the election, and began to take repressive measures against those who protested against such conduct. The unpopularity which these steps brought upon him was only partially countered by the announcement on May 10 that elections for Provincial Governors, Executives, and Legislatures, and Deputies to the National Congress would be held in nearly all the Provinces on November 9, and that simultaneously the Presidential election would be held if the political parties were properly organised and nominated satisfactory Presidential candidates. Not only the public, but also the Army and Navy turned against him, and he was for some time in danger of being overthrown by a counter-revolution, or of being assassinated.

From this danger General Uriburu saved himself by a timely abandonment of his design to force a Conservative Government

on the country whether they preferred it or no. On June 19 he issued a manifesto in which he outlined a scheme of constitutional reform designed to prevent a recurrence of the causes which had led up to the Revolution of September, 1930. Congress was to act independently and no longer to rely on the will of the Executive, while rules of procedure were to be introduced to prevent obstruction by minorities. Disputed elections were to be settled not by Parliament but by a Special Commission, presided over by the President of the Supreme Court, which would also appoint judges, instead of the Government. The existing system of double taxation—federal and provincial—was to be abolished in favour of financial autonomy of the States. The powers of Parliament in dealing with the Budget were to be confined to altering the distribution of details, without making any change in the sum total. Presidential interference in the provinces was to be subject to the approval of the Supreme Court; and an Appeal Court would be created to prevent demagoguery and Parliamentary abuses. These proposals were clinched by a promise from General Uriburu that he would abstain from nominating any members in the Government that would succeed him, and would not give his support to any candidate at the Presidential election in November. This programme restored to General Uriburu the confidence of the more solid elements in the country.

When the military revolt which took place in July in the neighbourhood of Corrientes was suppressed (*v. ante*), the Government seized the opportunity to "invite" a number of prominent politicians, including Dr. de Alvear, Seflor Pueyrredon, and Dr. Tamborini, a former Minister of the Interior, to leave the country, in order to avoid the possibility of disturbances. About the same time, a new National Democratic Party was formed to continue the policy of the present Government after the return to a constitutional regime. In September it selected General Justo and Dr. Julio Roca as its candidates for the presidency and vice-presidency. The Anti-personalist Radicals also supported the former, but adopted Dr. Laurencenas as their candidate for the vice-presidency.

The Radical Party adopted Dr. de Alvear as its candidate for the presidency and Dr. Adolfo Guemes for the vice-presidency. The Government vetoed the candidature of both—of Dr. de Alvear on the ground that the six years required by the Constitution had not elapsed since the expiration of his former presidency, and of Dr. Guemes because he had been too closely connected with the Irigoyenist regime. The Personalist Radicals thereupon announced their intention of abstaining from the election. The only other candidates were those put forward by the Alianza—a temporary combination for the purposes of the elections of the Democratic Progressive Party and the Socialist Party. These

were Dr. de la Torre for the presidency and Dr. Repetto for the vice-presidency.

The elections, not only for the presidency and vice-presidency of the Republic, but also for 30 National Senators, 158 National Deputies, 13 Governors of Provinces, 9 vice-Governors of Provinces, and a number of Provincial Senators and Deputies, took place on November 8. They aroused public interest and passion to a degree unequalled by any previous election in Argentina, and the campaign was conducted with great intensity, not unaccompanied by disorders. The day of the election, however, passed without disturbance. The poll was high, in spite of the abstention ordered by the Personalist leaders; in Buenos Aires city it amounted to nearly 87 per cent. The result of the presidential election was a complete victory for the Conservative candidate, General Justo, who obtained 731,060 votes against 433,359 cast for Dr. de la Torre. General Uriburu thereupon announced that he would formally hand over his office to the President-elect in the first week in February.

Considerable irritation was aroused in the Argentine against Uruguay in the course of the year on account of the shelter given by the latter country to a number of political refugees and other undesirable characters who settled in Montevideo and other Uruguayan seaside resorts and from there carried on intrigues against the Argentinian Government. The Uruguayan Government also gave offence to Argentina by refusing in January to extradite Dr. Oyhanarte, who had been Minister for Foreign Affairs in Dr. Irigoyen's Cabinet, although charges other than political were brought against him. With all other countries Argentina's relations were friendly, and she showed a disposition to take a more active part in international affairs than under Dr. Irigoyen.

The Argentine public showed a lively interest in the British Empire Trade Exhibition which was held at Buenos Aires from March 14 to April 27. They gave an enthusiastic welcome to the Prince of Wales, who came to open it, and who stayed in the country till March 23. Nearly a million and a half people visited the Exhibition. On account of the trade depression the Exhibition did not create a large volume of business, but it gave an imposing demonstration of British manufacturing skill and enterprise and revived interest in British productions. The Empire Free Trade movement in Great Britain was followed with close interest in the Argentine, and the Foreign Minister, Senor Bivy, stated towards the end of the year that a Commission was considering what preferences Argentina could give to Britain, and that she would be willing to send an observer to the Imperial Conference in Ottawa, to put the Argentine case.

As the result of a visit to Argentina by Sir Eric Drummond, the Secretary-General of the League of Nations, at the end of

1930, the way was paved for the re-entry of the Argentine into the League as an active member. General Uriburu's Government was favourable to the idea, but being only provisional did not feel itself qualified to take action and left the matter over to a constitutionally elected Parliament.

BOLIVIA.

Elections for President, Vice-President, and a National Assembly were held at the beginning of January. Dr. Daniel Salamanca (Republican) was elected President without opposition, while Sefior Tejada, the Liberal candidate, defeated Dr. Bautista Saavedra for the Vice-Presidency. The Liberal Party (led by General Montes) gained a majority in the Senate, and the Republicans in the Chamber of Deputies. The President and Vice-President formally assumed office on March 6. The services of the Junta in effecting a return to constitutional government met with general recognition. In November a Parliamentary Committee reported to the Chamber that the former President, Dr. Siles, could be proceeded against on grounds of violation of the Constitution and malversation. As he was in exile in Chile, it was decided to try him *in contumaciam*.

The Prince of Wales and Prince George visited La Paz on February 19 in the course of their South American tour, and received an enthusiastic welcome from the public and the Press.

Following a publication by the Paraguayan Charge d'Affaires in Washington that Bolivia had military designs on the Gran Chaco region, diplomatic relations were broken off between Bolivia and Paraguay on July 6.

BRAZIL.

The provisional Government established after the Revolution of October, 1930, remained in power throughout 1931, with Dr. Vargas as President. Its authority, however, was not greatly respected in some of the States, and it owed its continued existence as much to the disunion of its opponents as to its own strength. Throughout the year there was continual unrest in one part or other of the country, provoked in part by the efforts made by the Government to carry out the policy for which it had been called into being.

One of the first steps taken by the Government with a view to putting in order the finances of the country was, with the consent of the Bank of England, to invite Sir Otto Niemeyer to visit Brazil in order to advise it upon the execution of a plan it had in hand for reconstituting the Bank of Brazil as an orthodox central bank and for reforming the currency and stabilising the exchange ;

also, upon various problems connected with the Budget and foreign borrowing. Sir Otto arrived in the country on February 13, and remained there for some months. Shortly before his arrival, as a first stage in the reorganisation of Brazilian finance, Messrs. Rothschild arranged a credit for the Banco do Brasil, under the guarantee of the Brazilian Government, of 6,500,000l. for eighteen months.

In addition to seeking aid from abroad, the Government made commendable efforts to clear the provincial administrations of the nepotism and corruption with which they had been honey-combed under the regime of Dr. Luis. In a speech made at Bello Horizonte, in the State of Minas Geraes, on February 24, Dr. Vargas said that the country had now reached the convalescent stage, but it was still necessary to clear the high administrative posts of their baleful elements ; and he took credit to himself for introducing a new " administrative morality," and substituting truth and frankness for lies and artifice. In accordance with this policy, the Government, on February 20, appointed a Committee to inquire into certain aspects of Dr. Washington Luis's conduct of affairs when in power, and in particular to investigate the charges which had been brought against him of interfering in the Presidential election of March, 1930, and tampering with the results, and of having falsified the Budget.

These and similar steps caused a great deal of friction between the Federal Government and the States. In the north, resentment was felt against the Government on the ground that this part of Brazil was being overlooked in the allotment of Federal posts. At the end of January, in the remote northern State of Piauh, a rising took place against the Federal Interventor. At the same time, the Government was rendered uneasy by the equivocal attitude of General Tavora, who had contributed to the success of the Revolution in the previous year by leading an army from the north, and who enjoyed a great reputation in that part of the country. General Tavora had, in November, 1930, with some hesitation accepted the post of Minister of Communications in the Cabinet, but had resigned on the next day and returned to the north. He had, however, come back to the capital on the request of Dr. Vargas. He was now sent on a mission to pacify the northern States and regain their support for the Federal Government, and at the same time a new Interventor was appointed in the State of Piauh. The unrest thereupon subsided, and order was not again disturbed save by a mutiny of a battalion at Therezina, the capital of Piauh, in June, which was quickly suppressed.

Dr. Vargas sought to assure himself of the loyalty of his own State of Minas Geraes by paying it a visit towards the end of February. He had an enthusiastic reception, but this did not prevent Dr. Arturio Bernardes, an ex-President of the Republic,

from carrying on an open campaign against the State President. The State of Sao Paulo continued to cherish its traditional jealousy of the capital, and to be a thorn in the side of the central Government. On April 28 a seditious movement broke out in the city of Sao Paulo which had to be suppressed by force. On July 16 Dr. Barretto was appointed Federal Interventor for the State of Sao Paulo in place of Colonel Joao Alberto, but in little more than a week he was replaced by Dom Laudo de Camargo with a new Government. In November Dom Laudo de Camargo was compelled to resign by a movement led by Colonel Escollen, who commanded the second region, and who temporarily took over the Government.

Sir Otto Niemeyer presented his report on July 24, by which time the Budget had been balanced. His chief recommendations were that immediate steps should be taken to form a Central Reserve Bank with the sole right of note issue in Brazil, and to which should be entrusted the custody of Government balances, and which should perform the functions usually exercised by a Central Bank ; that this Bank should be autonomous, entirely removed from State control or participation, with a capital subscribed half by the banks and half by the public in Brazil, and that it should be assisted temporarily by an expert counsellor ; that an external loan should be raised by the Federal Government sufficient to provide the Bank with the necessary foreign exchange cover for its notes and liabilities ; that as soon as the proceeds of the loan were available, the new rate for the milreis should be established and the note issue should become convertible ; that in future the Federal Government's assent should be required for all external borrowing by the States, the municipalities, or similar public bodies ; and that consideration should be given to the problem of consolidating the outstanding debt of the States which were in default.

Soon after the presentation of the report it was announced that the President had instructed the Minister of Finance to draw up the measures necessary for putting its recommendations into effect. In fact, however, nothing was done, and before long the consideration of the report was postponed indefinitely. Instead, the President talked of reforming the system of taxation and making it more flexible. Meanwhile, the problem of the foreign debt of the country became acute, especially after the fall in sterling, and the Government as a precaution mobilised all the gold in the country to prevent an excessive demand for exchange, which would cause the rates to fall abruptly, while, with the co-operation of the Treasury, the Bank of Brazil reserved exchange exclusively for necessities. These measures not proving sufficient, the Federal Government in October opened negotiations with bankers in New York, London, and Paris with a view to obtaining a consolidation loan which would allow of the sus-

pension of cash payments of interest on loans (including State and communal debts) for three years.

As the year wore on, the question of a return to constitutional government began to assume prominence. President Vargas stated his views on the subject in a speech which he made on September 20. After reviewing the events leading up to the Revolution of October, 1930, he said that while the Government was fast succeeding in its efforts to wipe out the malpractices of the past and create a new and sturdy mentality, a return to a constitutional form of government could only take place on the completion of the scheme for electoral reform on which he had been busily engaged for the past six months. Owing to the size of the country and the poor state of communications, many months would have to elapse before any definite result could be obtained, and therefore no date could yet be fixed. Soon afterwards a conference of political leaders decided to ask the President to authorise without delay the preparation of a provisional Constitution, under which the country could be governed till the time was ripe for a return to a genuinely legal regime.

On March 25 the Prince of Wales and Prince George landed at Rio de Janeiro on their way home from the Argentine, and stayed there for some days. They were enthusiastically welcomed by the public and by the Press, which considered their visit the most important in the history of Anglo-Brazilian relations, and a happy augury for future relations between the two countries. At a State banquet given on the same night in their honour, Dr. Vargas dwelt on the friendship which had united for ages the British Empire and Brazil, and mentioned with gratitude the services rendered by Britain in the cause of Brazilian independence, while the Prince pleaded for closer economic intercourse between the two countries.

CHILE.

The opening of the year found the finances of the country in a serious condition, which gradually grew worse instead of better. At the end of April the Government, in order to adjust the prospective deficit in the estimates, decreed substantial reductions in the pay and pensions of the Army, the Navy, and the Civil Service, and further increased the income tax and the taxes on matches and beer. A few days later, President Ibañez, in a statement to foreign correspondents, said that the Government had firmly resolved to maintain the stability of the exchange, and the service of foreign obligations, which came before everything, and that they intended to make reductions in expenditure in order to avoid a budgetary deficit.

Great discontent was caused by this drastic policy of economy. On April 29 the Cabinet resigned, and the President had

difficulty in forming one in sympathy with his designs. On May 6 two sons and the son-in-law of Senor Alessandri, a former President of Chile, were placed under arrest on a charge of fomenting disorder. There was talk in May of a revolt among the armed forces as a protest against the cuts in pay and salaries, but after some discussions the senior officers decided that patriotism demanded their acceptance of the hardships imposed by the President. A strict censorship was imposed on all news destined for abroad.

The Cabinet formed at the end of April proved very unstable, and it resigned at the end of June. By this time popular discontent with the rule of President Ibañez had become acute, and his resignation was widely demanded. The Cabinet formed on June 30 resigned on July 10, and its successor on July 13. A Cabinet was then formed under Don Pedro Blanquier which enjoyed a fair measure of public confidence, but it also resigned in a week. The country was now seething with unrest, and on July 23 and 24 serious disturbances took place at Santiago, where 360 students took possession of the University and held it for a couple of days against the Government forces. After numerous conferences with the political leaders and others, President Ibañez on July 25, without resigning, handed over the reins of government to Don Pedro Opazo, as Vice-President, and the latter appointed Senor Montero Minister of the Interior, with instructions to form a Cabinet. On the same day President Ibañez left Santiago without warning, and a couple of days later crossed into the Argentine.

Senor Opazo immediately resigned the Vice-Presidency in favour of Senor Montero, who formed a Ministry with himself as Minister of the Interior and Senor Blanquier as Minister of Finance. He announced that as the President's departure had been effected without the authority of the Deputies, it was equivalent to a flight, and had therefore produced a vacancy in the Presidentship and rendered it necessary, according to the Constitution, for the provisional Government to hold a Presidential election within sixty days. Colonel Ibañez had been President since his successful coup in 1927.

The departing President sent a message from the frontier to say that he was leaving Chile for the sake of national harmony. The excitement in Santiago continued for some days longer, but gradually calmed down. The new Government announced that it was disposed to maintain constitutional ideas of legality and liberty, and that its first task would be one of reconstruction both in the political and the economic spheres. The fall of President Ibañez was the signal for the return to Chile of a large number of exiles, prominent among whom was the ex-President, Senor Alessandri.

At the beginning of September a serious mutiny took place in the section of the Fleet stationed at Coquimbo. It was said

to have been inspired by Communist agitation. At the same time a revolt took place on land in the neighbourhood of Valparaiso, Severe fighting, in which over 500 men were reported to have been killed, took place at Talcahuano, the rebels being finally defeated. The mutineers of the Fleet, after some parleying, were bombarded from the air, and by September 7 they had all surrendered unconditionally. In the course of the next week six of the leaders were sentenced to death by court martial.

In the Presidential election, which took place on October 4, the Government nominee, Don Juan Esteban Montero, was elected by a large majority. On November 15 a new Ministry was formed with Don Marcial Mora as Prime Minister and Minister of the Interior. Conservatives, Liberals, Radicals, and Democrats were all represented in the new Ministry.

One of the first acts of the new Government was to prepare a Budget for 1931. On November 24 Senor Izquierdo, the Minister of Finance, informed the Senate that the cash available was only slightly over 1,000,000 pesos, while urgent liabilities amounted to 157,000,000 pesos, including 17,000,000 pesos for October salaries. The Budget, which was submitted to Congress a couple of days later, practically balanced revenue and expenditure at just under 600,000,000 pesos (about 14,950,000*l.* at par), without making provision for the service of the foreign debt. The Government's programme, it was stated, provided for reduction of expenditure, a gradual reduction in the number of civil servants, continuation of certain public works to find work for the unemployed, of whom there were then 130,000, resumption of payment of foreign debts at the earliest possible moment on reasonable terms, support of the Central Bank, and maintenance of the stability of the exchange.

The country continued to be in a somewhat disturbed state till the end of the year. On December 9 demonstrations against what the public called the "pseudo-Congress" took place both inside and outside the Congress building, and not only was the sitting suspended but the police had to fire on the crowd, killing one person and injuring about 50. On Christmas Day about 300 Communists, who had come in motor-lorries from Vallesar, 100 miles away, assaulted and captured the military barracks at the mining town of Copiapo, the capital of the Province of Atacama, many of the soldiers being then absent on Christmas leave. The barracks were retaken by Carabineros after three hours exchange of shots, the Communists fleeing to an outlying desert.

The negotiations for a merger of the nitrate producers in Chile, including the American interests, were brought to a successful conclusion in March. The merger, which was known as Cosach, had a capitalisation of 75,000,000(*l.*), in which British interests ranked as third after the Chilean Government and the American group.

On February 22 the Prince of Wales and Prince George visited Santiago in the course of their South American tour, and were received by the public with great enthusiasm. The Prince conferred the G.B.E. on President Ibañez, and received from him the Grand Collar of the Order of Merit. In the autumn a provisional Commercial Treaty was negotiated between Chile and Great Britain.

MEXICO.

On January 14 a number of earthquake shocks—the worst since June, 1911—took place in the southern half of Mexico, throwing the whole population into a panic. Oaxaca, a town of 40,000 inhabitants, was practically laid in ruins, with the loss of at least 40 lives. In the capital also considerable damage was done to life and property.

Towards the end of February, some 3,000 Mexican labourers in Lower California threatened to loot the town of Mexicali, on the United States border, unless they were immediately given either food or work. The Government preserved order by calling out the Federal troops, and the Governor of Lower California ordered the immediate dismissal of all American labourers in Mexicali in order to make room for Mexicans.

On May 12 the Chief of Police of Mexico City, Don Mijares Palencia, announced the discovery of a plot, with headquarters in Puebla, to overthrow the Government by force. The leader of the movement was Don Luis Cabrera, who had been Secretary of the Treasury under President Carranza, and the agitators included a number of disappointed politicians and officers of the Army who had been discharged for subversive activities. Senor Cabrera was arrested, but was released on promising to leave the country.

On June 11 the Legislature of the State of Vera Cruz passed a Bill limiting the number of Roman Catholic priests in the State to one for every 100,000 inhabitants. The reason for the measure was that the priests kept the masses in a state of ignorance. Attempts to enforce the law led to violent demonstrations at Huatusco and Totula, and it was found advisable to grant a number of temporary injunctions restraining the police from interfering with religious services.

In consequence of "increasing political unrest" the Cabinet on October 13 resigned, and on the next day the President appointed General Calles, the "strong man" of Mexico, Minister of War. General Calles disclaimed any intention to resort to force.

In September, Mexico accepted an invitation to join the League of Nations, under the stipulation that she did not recognise the Monroe Doctrine, mentioned in Article 21 of the League Covenant.

PERU.

During the greater part of 1930, struggles between party leaders for the presidency kept Peru in a constant state of disturbance, which was accentuated by Labour unrest and disaffection in the Army. After his accession to office, Colonel Sanchez Cerro, the revolutionary leader who had overthrown and succeeded President Leguia in 1930, showed a certain lukewarmness in putting into effect his Radical principles, and, though he was less complaisant to the bondholders than his predecessors, he did not oppose them with the vigour which his former professions had led people to expect. The sign of this was his dismissal, after the Labour troubles of November, 1930, of his Minister of Police, who was regarded as a dangerous Radical, and his instalment as Minister of Finance of Dr. Olaechea, who was *persona grata* with the foreign creditors of Peru. Dr. Olaechea was unable to induce his colleagues in the Cabinet to agree to the drastic economies which he wished to introduce in order to render possible the payment of the interest on the foreign debt, and he resigned at the end of January. From this point the President was equally unpopular with the adherents of the deposed President, Senor Leguia, of whom there were still many in the country, and with the supporters of the Revolution.

Both of these sections broke out into open revolt against the Government almost at the same time, though quite independently. On February 20, a minor insurrectionary movement took place in Lima, where a number of soldiers and civilians attacked the Presidential palace. They were, however, repulsed, and the movement was suppressed by the proclamation of martial law in Lima and in the port of Callao, where its headquarters were supposed to be.

In the meantime, however, a much more serious revolt had broken out among the garrisons of Juliaca and Arequipa, the home of the Revolution, where discontent with the Government's policy was accentuated by a feeling that the interests of the South were being sacrificed to those of the capital. The rebels were joined by troops in many districts, and set up a Junta in Arequipa. Colonel Cerro on his side called out the reservists and sent the Navy to blockade Mollendo, the chief Southern port; and, to placate public opinion, he withdrew an announcement which he had made in the previous week, that he would be a candidate, and the only candidate, at the Presidential election which he intended to hold on July 28. At the same time, an insurrection against him broke out at Piura, in the North-West. This, however, was suppressed without difficulty.

The Government and the Southern forces were preparing to march against each other when hostilities were suspended through

the intervention of the naval leaders, who induced Colonel Cerro on February 28 to resign in favour of a civilian, Don Ricardo Elias, Chief Justice of the Supreme Court. The naval Junta immediately opened negotiations with the Southern leaders, declaring their loyalty to the principles of the Revolution, but the insurgents refused to listen to them. Accordingly, on March 5 they transferred the reins to the hands of Colonel Jiminez. The latter, on March 5, turned them out of office and a few days later offered to hand over the provisional Presidency to Colonel Samanez Ocampo, the head of the Junta at Arequipa. The Southern Junta was thereupon dissolved, after an agreement had been reached that fair elections should be held later on.

A rising against the new Government was organised in June by Colonel Godos, who had taken a prominent part in overthrowing Colonel Cerro in February, and who now protested against the decision of the Government to allow Colonel Cerro to become a candidate for the Presidency. Towards the end of June the rebels defeated the Government troops near Juliaca, and on June 30 they were joined by the important garrison of Arequipa. A few days afterwards, however, the Government troops retook Puno, and the revolt then rapidly collapsed, closing with an ignominious defeat of a body of insurgents by an inferior number of peasants.

Meanwhile, preparations were going on for the Presidential election, which was originally announced for September, but was finally fixed for October 11. In July, Colonel Cerro returned from Panama to prosecute his candidature, and he was followed a little later by Sefior Aprista, who had been living in New York, and who now came to represent the Labour elements. In the end, Sefior Hay a de la Torre came forward as the Aprista candidate, and two other candidates, besides him and Colonel Cerro, also entered the field.

Official figures published in September showed that 373,000 electors had been inscribed on the Peruvian National Register which closed on August 31. Of these, some 90,000 belonged to the Department of Lima, and 77,000 to the cities of Lima and Callao. The Government took drastic precautions to prevent disorder during the election, prohibiting the sale of liquor, limiting traffic, and prohibiting all popular spectacles and political demonstrations. The election resulted in a complete victory for Colonel Cerro, who had a majority of nearly 50,000 over the next candidate, and a clear majority over all the other candidates together. A Congress was elected at the same time. The Congress met on December 8, and at the same time a Cabinet was formed with Dr. Arenas as Prime Minister and Dr. Quesada as Minister for Foreign Affairs. An attempt to raise a revolt throughout the country against the new Government failed completely.

On November 20 the Government proclaimed an amnesty

for all persons imprisoned for political offences since August 22, 1930, and quashed all proceedings against military and civilians for political reasons other than those accused of State offences under the Leguia regime. Senor Leguia himself was still kept in prison awaiting his trial, and meanwhile, in October, the Government appointed a Commission to inquire into the manner in which the sequestered properties of his adherents were being administered. In November Senor Leguia, as a result of popular protests, was removed from prison to hospital to undergo an operation.

In January a Commission, presided over by Professor Kemmerer, came to Peru to advise the Government on financial and currency questions. On their recommendation the Government in April reduced the value of the gold sol from 40 to 28 cents. In spite of this step, the economic condition of the country continued to be deplorable. The poverty of the capital was strikingly shown by the absence of illuminations and the emptiness of the streets during the national holiday in July to commemorate the hundred and tenth anniversary of independence. The inability of the Government to pay its troops was responsible for a serious mutiny in March among the garrison in Lima, in the suppression of which between forty and fifty men were killed.

OTHER LATIN AMERICAN STATES.

PARAGUAY.

A Communist insurrection broke out in February, and martial law was proclaimed in the country on February 18. For a short time the insurgents dominated the town of Encarnacion, but they were driven out and forced to cross into Brazil, where they were interned. Owing to continued trouble with Communists and students, the President, Don Jose Guggiari, resigned at the end of October, a year before the expiry of his term of office. His place was taken by the Vice-President, Dr. Gonzales Navero.

URUGUAY.

As a result of elections held at the end of 1930, Dr. Gabriel Terra, the Colorado Battlista candidate, was appointed President of the Republic, in succession to Seior Campisteguy. He formally assumed office on March 1.

The financial year closed on June 30 with a deficit of 6,000,000 pesos (1,200,000l.). Uruguay was seriously affected by the world trade crisis, and the Government in the course of the year tried various devices for stimulating trade, checking imports, and reducing unemployment. These were so little effective that in September the Committee of Commerce and Industry protested against the Government's failure to propose measures for the

reorganisation of the national finances and against the creation of new State enterprises, and on October 14 a crowd demonstrated outside the Cabildo, where the National Council, the body which controlled financial and economic matters, was sitting, and called on it to resign. The President soon after sent a message to the National Council urging it to introduce legislation to oblige land-owners to cultivate a part of their pastures, especially if the land was near railways or roads.

Throughout the year Uruguay received complaints from the Argentine on the ground that she allowed Argentinian refugees to settle in Montevideo and other places on the river Plate and from there to carry on intrigues against the Argentinian Government. In response to these representations, the Uruguayan Government ordered certain of the refugees to take up their residence not less than 100 kilometres from the Uruguayan banks of the river Plate. This step did not entirely relieve the tension between the two countries, a fact, however, which did not prevent them from agreeing in the autumn, in company with Brazil, to form a Commission to study economic problems affecting them jointly and the question of an interchange of produce and tariffs.

An election to the Chamber, held in December, gave a slight majority to the Opposition over the Colorados.

An abortive attempt to overthrow the Government was made by Communists in February. Disturbances actually began in various parts of the country, but the authorities arrested the more dangerous agitators and suppressed the Communist newspaper *Justicia*.

NICARAGUA.

At the beginning of the year there was a recrudescence of activity on the part of the insurgent forces led by General Sandino. On January 1 a party of United States marines was ambushed while laying a telephone line, and eight of them were killed. This was the heaviest loss sustained by the marines in any one encounter since their entry into the country in 1927.

On February 13 Mr. Stimson, the United States Secretary for State, announced that the United States marines would be withdrawn from Nicaragua at an early date. Arrangements were made with President Moncada to increase the Nicaraguan National Guard to 2,500, and promises of financial assistance were made to him to enable him to maintain this force. On April 16 the United States Government announced that it would no longer be responsible for the protection of American citizens in the interior, and advised those who did not feel safe there to withdraw from the country, or at least to the coast towns, where they could be protected or at any rate evacuated in case of necessity.

On March 31 a violent earthquake wrought terrific havoc in Managua, the capital of Nicaragua, and within a few days the

ruin was completed by fire and further shocks. Not a building was left standing, and the number of lives lost, on the lowest estimate, amounted to 2,000. Relief measures were immediately taken by the United States Army, Navy, and Marine forces. The seat of government was temporarily removed to Massaya, halfway between Managua and Granada. General Sandino, on hearing of the disaster, at first declared an armistice, but his forces soon after resumed hostilities on the east coast, where for some time they besieged Logtown.

CUBA.

On February 21 a fracas, in which sixty persons were killed or wounded, took place in Havana between the police and a meeting of workmen which had been called to denounce the Machado regime and to urge revolutionary action. On the next day an attempt was made to assassinate President Machado by a sentry in the Palace. In August, a revolt took place against the President, which was suppressed with difficulty.

ECUADOR.

In August the President, Dr. Ayora, was forced to resign by a mutiny in the Army. He appointed Colonel Alba his successor, but the latter was overthrown by a military rising in October, and Don Alfredo Moreno, the President of the Senate, was appointed Head of the State. On October 20 Presidential elections took place and Neptali Bonifaz was elected President, to enter on his office on the following September 1.

On January 10 a landslide on the Guayaquil and Quito railway near Huigra buried 170 men engaged in removing the earth brought down by a landslide the night before, and only a handful were rescued.

HONDURAS.

A revolt broke out in April, due to discontent caused by unemployment. It was led by Gregorio Terrera, who had also led the revolt in 1924. United States battleships were dispatched to protect the estates of the fruit companies. On April 23 sharp fighting took place between the insurgents and the Government forces, the former being repulsed.

PANAMA.

At the beginning of the year, President Arosemena was forced to resign by a hostile group. On January 16 Senor Alfaro, who at the time of the Revolution had been Ambassador in Washington, was peacefully inaugurated as President.

SALVADOR.

In December the President, Don Arturo Araujo, was deposed by a military Junta which nominated General Martinez as President.

VENEZUELA.

In June the President, Dr. Bautista Perez, at the request of Congress, resigned before his term of office had expired, and General Gomez, the former President, was unanimously elected in his place for a term of five years.

PART II.

CHRONICLE OF EVENTS

IN 1931.

JANUARY.

1, In the New Year's Honours four Peerages were conferred—on Sir Ernest Rutherford [Baron Rutherford, of Nelson, of Cambridge in the County of Cambridge]; Sir John Scott Hindley [Baron Hyndley, of Meads, in the County of Sussex]; Sir Ernest Lamb [Baron Rochester, of Rochester, in the County of Kent]; and Sir William Plender [Baron Plender, of Sundridge, in the County of Kent]; and five Baronetcies.

8. A party of public schoolboys left for the West Indies and British Guiana on the Sixth Public Schools Empire Tour.

9. *The Times* announced that Sir William Runciman had given 25,000l. to the Victoria Jubilee Infirmary at Newcastle-upon-Tyne for a " Runciman Wing " ; and Sir Thomas Lipton had made a gift of 10,000l. to his native city of Glasgow for poor mothers and children.

13. It was announced that a " talking beacon " had been installed in the Cumbrae Lighthouse in the Firth of Clyde, consisting of a radio-gramophone able to inform a ship's wireless operator exactly how far his ship was from the lighthouse.

14. A series of violent earthquake shocks spread destruction and panic throughout the capital and the southern cities of Mexico.

16. The Prince of Wales, accompanied by Prince George, left London for Paris by air on the first stage of their tour to South America.

— At the by-election at East Bristol Sir Stafford Cripps, the Solicitor-General, retained the seat for the Labour Party.

25. The Rockefeller Foundation made a gift of 50,000l., and Mr. W. Melville Wills, of Bristol, 25,000l., to the University of Bristol for the purpose of research in experimental and theoretical physics.

30. In an explosion at the Whitehaven Colliery twenty-six men lost their lives.

FEBRUARY.

3. Great damage and loss of life occurred in the North Island of New Zealand as the result of an earthquake ; the town of Napier was almost completely destroyed.

5. At Daytona Beach Captain Malcolm Campbell broke the world's motor speed record by reaching an average speed of 246.575 miles per hour.

9. Canon A. W. F. Blunt was appointed Bishop of Bradford.

10. New Delhi, the new capital of India, was officially opened by Lord Irwin, the Viceroy.

13. *The Times* announced that the Council of the Koyal College of Surgeons had accepted an offer from Mr. George Buckston Browne, F.R.C.S., to build and endow an Institution of Surgical Biological Research upon a thirteen-acre estate at Downe, near Farnborough, Kent, which he proposed to present to the College for the purpose.

19. It was announced that the King had conferred a knighthood on Captain Malcolm Campbell. [See under Feb. 5.]

21. The Pilgrim Trust made a grant of 20,000l. towards the restoration of Lincoln Cathedral, and of 10,000l. for the preservation of St. Giles' Cathedral, Edinburgh.

27. The *New York World* appeared for the last time as an independent newspaper, having been bought by the Scripps-Howard interests in order to be merged with the *New York Telegram*.

28. *The Times* announced that at a ballot vote of shareholders the *Sydney Evening News* decided to suspend publication "until economic conditions permit resumption."

MARCH.

1. *The Times* reported that Mr. W. G. Player, the tobacco manufacturer, had promised 28,000l. to build a medical block at the Nottingham General Hospital.

3. The London Temperance Hospital received a gift of 32,000l. from Mr. Samuel Insull, of Chicago.

4. The Chancellor of the Exchequer announced that he had received numerous voluntary gifts in aid of the national finances.

6. At the elections for the new London County Council the Municipal Reform Party obtained 83 votes (77 previously), the Labour Party 35 votes (42 previously), and the Liberals 6 votes (5 previously).

7. An earthquake shook Southern Serbia; a large number of persons were killed and injured.

9. Field-Marshal Sir W. Birdwood was elected Master of Peterhouse, Cambridge, in succession to Lord Chalmers.

— Exceptionally heavy snowstorms swept over the country.

14. Dr. Hewlett Johnson, Dean of Manchester, was appointed to the Deanery of Canterbury.

19. At the by-election in the St. George's Division of Westminster Mr. Duff Cooper secured the seat against Sir E. Petter.

21. Cambridge won the eighty-third boat race, this being their eighth successive victory.

21. The Scotch Express, which left Euston on the previous evening, was derailed near Leighton-Buzzard; six people were killed and five injured.

31. A severe earthquake shock in Nicaragua destroyed Managua, the capital.

APRIL.

4. The first official air mail for Australia left Croydon.

6. Lieut.-Cdr. Glen Kidston landed in Cape Town after having left England on the previous Tuesday, March 31; the journey had occupied 6 days and 10 hours.

10. A gift of 5,000L was made to the Doncaster New Infirmary Building Fund by Messrs. A. Wander & Co., Ltd., manufacturing chemists of London.

— Mr. C. W. A. Scott, who left Lympne for Australia in his Gipsy Hoth aeroplane on April 1, arrived at Darwin. The flight to Australia had occupied him 9 days 3 hours 40 minutes—about 19 hours less than the previous record set up in 1930 by Air-Commodore Kingsford-Smith.

11. Colonel Sir Clive Wigram was appointed Private Secretary to King George V. in the room of the late Lieut.-Col. Lord Stamfordham.

18. The *Sydney Morning Herald* celebrated its centenary.

19. Summer time commenced at 2 A.M.

24. Mr. Reginald Grange Brundrit, painter, and Mr. Waiter Thomas Kinnington, painter, were elected Associates of the Royal Academy.

MAY.

5. Miss Helen M. Wodehouse, Professor of Education in the University of Bristol, was appointed Mistress of Girton College, Cambridge.

— The Non-Collegiate Body at Oxford was given the official title of the St. Catherine's Society.

7. It was announced that the Bockefeller Foundation had made a gift of 710,000 dollars to the London School of Economics and Political Science, to be used for the further expansion of the School.

8. Mr. Frank Herbert Mitchell was appointed Assistant Private Secretary to King George V.

11. Sir Thomas Francis Molony, Bart., was appointed Vice-Chancellor of the University of Dublin.

14. The first air mail from Australia which had left Sydney on April 24 reached England. The journey occupied twenty days, which was a saving of fourteen days on the sea voyage.

19. It was announced that the Goldsmiths' Company had made a gift of 50,000*l.* to the University of London towards the cost of erecting and equipping the library building of the new headquarters of the University.

21. The new Zoological Park at Whipsnade was opened to the public for the first time.

27. The first air mail from Australia reached Batavia.

JUNE.

3. In the King's Birthday Honours List no Peerages were conferred; there were only four Baronetcies and forty-eight Knighthoods.

— The Derby was won by Mr. J. A. Dewar's colt, Cameronian, by three-quarters of a length.

7. A slight earth tremor was felt over a wide area of England and Scotland shortly before half-past one in the morning.

9. *The Times* announced that Mr. H. S. E. Vanderpant had made a gift of 5,000*l.* to Gray's Inn for the purpose of establishing a scholarship to commemorate the name of Lord Birkenhead.

10. Mrs. Briscoe Eyre handed over to the National Trust the manorial rights of Plaitford Common, Hampshire, 420 acres in extent.

17. Captain Frank M. Hawks, the U.S. airman, flew from London to Borne and back in 9 hours 38 minutes.

-* Mr. Cyrus Curtis, the publisher, made a gift of 1,000,000 dollars to the University of Pennsylvania.

24. Captain Neville Stack and Mr. J. E. Chaplin flew from London to Warsaw and back in one day, the distance of about 2,000 miles occupying 19 hours and 34 minutes.

JULY.

1. Mr. Post, the U.S. airman, and Mr. Gatty, his Australian companion, arrived in New York after having flown round the world in nine days.

10. King George V., accompanied by Queen Mary, opened the new dock at Glasgow which is to bear his name.

21. At a meeting of the Fellows of the Royal Botanic Society the dissolution of the Society was agreed upon.

27. Mr. Arnold Bennett's library of modern first editions was sold for 1,516l. at Sotheby's.

28. An anonymous donor sent 2,000l. to the Chancellor of the Exchequer as a gift to the Nation.

AUGUST.

1. From Folkestone 4,900 passengers crossed the Channel to France on holiday, a record figure for August holiday traffic at that port.

5. *The Times* announced that the first college of aeronautical training in Europe had been established in London.

6. Mr. J. A. Mollison reached England from Australia, establishing a new record by completing the journey in 8 days 20 hours 19 minutes.

11. *The Times* announced the decision of the Archbishops of Canterbury and York that, as soon as the Cathedrals Measure receives royal assent, the incumbents of parish church cathedrals shall take the title of "Provost."

11. The Urban District of Barking was created a municipal borough by a Royal Charter of Incorporation.

14. Unusually heavy rain fell over a large part of Southern England; a violent thunderstorm, in addition, broke over Greater London, causing much flooding, and damaging the telephone service.

16. A heavy gale blew in the South and West of England, doing considerable damage.

18. The German Airship *Graf Zeppelin* flew from Friedrichshafen to London and left with a new complement of passengers for a tour over England.

20. Rain and storm swept over England; the Thames at Shepperton was about 3 feet above its normal level; since the beginning of August the rainfall in the Thames valley was 4.5 inches, as compared with an average for the whole of August of 2.64 inches.

24. Coldest August day in London since 1879.

27. *The Times* announced that Chelsea Lodge, the home of Mrs. Edwin Abbey, had been left to the Royal Academy to be turned into a Museum.

27. Karl Nanmestnik, **an Austrian** schoolmaster, crossed the Channel **from Cape Gris Nez to Shakespeare Beach, Dover, on a pair** of water skis, **a device** of his own invention.

SEPTEMBER.

1. The International Illumination Congress opened in London. In honour of the Congress a number of public buildings, including Buckingham Palace, were illuminated in the evening by means of flood-lighting. Dense crowds turned out to see the sight.

1. Over 300 delegates from thirty countries assembled at Cambridge for the eighth International Conference of the World Alliance for International Friendship through the Churches.

3. *The Times* reported that Sir William Morris had given 25,000J. to the British Empire Cancer Campaign for the establishment of a research Fellowship in radiology at the Mount Vernon Hospital, Hampstead.

4. Heavy rains of quite exceptional intensity fell in many parts of the country; rivers were flooded and steamers sunk.

11. A hurricane which swept over British Honduras devastated Belize and caused the death of over 1,000 persons.

13. The Schneider Trophy was won for the third time in succession by Great Britain; Flight Lieutenant J. H. Stainforth broke the air record by flying at an average of 379 miles an hour.

14. The "Cheltenham Flier," a Great Western Railway express train, travelled between Swindon and Paddington, a distance of 77¼ miles, in 59½ minutes, and thus established a record for the world's fastest train run at the rate of 78 miles an hour.

21. In commemoration of the centenary of the Pitt Press, Cambridge, General Smuts opened, at the Old Court House, Marylebone, an Exhibition of Cambridge Books and Printing, 1521-1931.

29. Mr. Alderman Maurice Jenks was elected Lord Mayor of London.

— Celebration of the Jubilee of the Natural History Museum.

30. *The Times* announced that in his will, Dr. Gordon Macdonald, **of Dunedin, New Zealand**, had left a legacy of 5,000L to the University of **Glasgow**.

— A new air-speed record was established by Flight Lieutenant Stainforth by flying at an average of 408 miles an hour.

OCTOBER.

1. *The Times* announced that Mr. T. Harvey Hall had been appointed private secretary to the Lord Mayor of London.

4. Summer time ended at 2 A. M.

— J. Ladoumegue, a French runner, set up a new record for the mile—4 minutes $9\frac{1}{5}$ seconds.

5. The first non-stop flight between Japan and the United States was completed in 41 hours 13 minutes by Messrs. Herndon and Pangborn, U.S. airmen.

— The Sultan of Johore made a gift of 5,000l. to the National Exchequer "in the present crisis."

8. Lord Trenchard appointed Commissioner of the Police of the Metropolis, in succession to Viscount Byng resigned.

— The first posthumous award of the Nobel Prize for Literature was made to the late Erik Axel Karlseldt, the Swedish poet.

14. Lady Lockyer laid the foundation-stone of the new College Hall for housing women students of the University of London.

17. Lord Derby opened the new buildings of the Manchester Grammar School at Rushholme.

23. *The Times* announced that a firm of tailors in Sydney, South Australia, established a new record for suit making of 1 hour 52 minutes $18\frac{1}{2}$ seconds from the back of the sheep to the wearer.

24. The county of Orkney made a contribution of 315l. to the National Exchequer ; 929 people contributed sums ranging from 6d. to 25l.

27. Dr. Herbert H. E. Craster, Fellow of All Souls College, was appointed Bodley's Librarian, in place of the late Sir Arthur Cowley.

29. The 1931 Nobel Prize for Medicine was awarded to Professor Otto Warburg, of the Kaiser Wilhelm Institute for Biology, Berlin.

— The 75th anniversary of the foundation of the *Frankfurter Zeitung* was celebrated in Frankfort.

31. The Kirkcudbrightshire mansion of Garroch, near Dairy (built forty years ago), was completely destroyed by fire.

NOVEMBER.

1. The University of Leeds received a legacy of 20,000l. under the will of Mrs. Emily Fawcett for the endowment of a Chair of Theology.

5. Miss Peggy Salaman and Mr. Store arrived by air in Cape Town from England, the journey having taken five days, which was a new record.

5. The French airmen, Moench and Burtin, who had left Marseilles on the previous Friday, arrived at Antananarivo, having flown from France to Madagascar in 6 days 9 hours 45 minutes.

10. Mr. Frederick Landseer Maur Griggs and Mr. Leonard Campbell Taylor were elected Royal Academicians.

— Heavy gales swept the Channel, doing damage to places on the South coast; at times the wind reached a velocity of 60 miles an hour.

11. The Nobel Prize for Chemistry for 1931 was divided between Professor Busch, of the Badische Anilin und Sodafabrik, and Professor Bergius, of the I.G. Farben Industrie.

17. In the Dissolution Honours, a Viscounty was conferred on Mr. Philip Snowden [Viscount Snowden of Ickornshaw]; a Barony on Sir Robert Newman [Baron Mamhead, of Exeter, in the county of Devon], and on Sir Martin Conway [Baron Conway, of Allington, in the county of Kent].

DECEMBER.

1. *The Times* reported that a complete farm—furniture, cattle, horses, carts, poultry, and the farmer and his household, numbering six, as well as two dogs—was transported by train from Ingleton, Yorkshire, to Liphook, Hants, 290 miles away.

5. Mr. Alfred Turner, sculptor, was elected a Royal Academician.

— A novel debate—by wireless telephone—was successfully conducted between the Union Societies of Oxford and Harvard Universities.

8. Montacute House, near Yeovil, a notable example of Elizabethan architecture, was acquired by the Society for the Protection of Ancient Buildings, and vested for preservation in the National Trust.

9. Jewellery sent by anonymous donors to the Chancellor of the Exchequer for the benefit of the nation was sold at Christie's.

10. The Nobel Peace Prize for 1931 was divided between Miss Jane Addams and Dr. Nicholas Murray Butler.

— The British Commonwealth Merchant Shipping Agreement was signed at the Dominions Office in London.

11. Under the will of Mr. Grant, a sum of 80,000J. was made to University College, Hull, as an endowment fund for four Chairs to be entitled "The G. F. Grant Professorships."

15. *The Times* reported that the National Art Collections Fund had received a legacy of 30,000l. from the estate of Hane Velten, an art dealer of London, who had died in November, 1930,

18. The University of Liverpool celebrated the fiftieth anniversary of the foundation of University College, Liverpool, out of which the University developed.

19. Mr. F. W. Hall was elected President of St. John's College, Oxford.

21. The Altes Schloss, in Stuttgart, a sixteenth-century building, possessing many historical associations, was destroyed by fire. The material damage was estimated at between 350,000l. and 400,000l.

21. Owing to the collapse of the roof of the building, a portion of the Vatican Library was almost entirely destroyed. The total number of books lost was estimated at 15,000.

24. Part of the Library at the Witwatersrand University, Johannesburg, was destroyed by fire, the damage to the building being estimated at 20,000l.

30. Mr. Fielder, a British civilian pilot, flew from London to Algiers in a day.

31. During the year 128 accidental deaths were recorded as a result of Alpine climbing, a total never before reached.

— Sunshine during the year totalled 1,431.9 hours, being 132.5 hours below the average. The rainfall for the year was 25.608 inches, being 3.155 inches below the average.

RETROSPECT

OF

LITERATURE, ART, AND SCIENCE IN 1931.

LITERATURE.

(Books marked with an asterisk are specially noticed at the end of this section.)

THE year 1931 may still be regarded as one of the transitional years, in which not so much achievement as direction is the loudest note. Among the departed spirits it would be true to say that no really great man, but a certain number, in the American phrase, of "big noises" left the scene. Arnold Bennett was one of the landmarks of the last age, an uneasy spirit, divided in allegiance, whose work included some sound classifiable material in his regional novels, and two masterpieces, *The Old Wives' Tale* and *Riceman Steps*, in which the writing is so different from his normal practice as to suppose a bifurcation of the spirit. His critical standpoint was puzzling. He stood for the influence of certain French writers, and in his earlier criticism in *The New Age* he was a generous and honoured mentor. In his final journalistic criticism he was an erratic and dangerous guide at a time when sure guidance was more than ever necessary, and when his authority should have imposed on him a more responsible and sifted judgment. The departure of Hall Caine is of no significance. Each age has its passionate mediocrities whose belief in themselves administers comfort to the anxious, the seeking, the uneasy and the unhappy. In America the death of Vachel Lindsay reminds one of his historical position and value. A strange mixture of bard and preacher, his practice of reciting in booming tones verse meant specifically for such recitation reinforced that return of speech to poetry which has helped the revival of an art fading into the printed page. Those who heard him recite "The Congo" and "General Booth Enters Heaven" during his visit to England will not easily have forgotten the voice whose passing must be regretted.

In so far as the procedure of the year can be crystallised into a definite mode, it can be characterised as exploration and stocktaking. One of the most welcomed of the year's books was * *An Outline of Modern Knowledge* (Gollancz), edited by Dr. William Rose, which, though in reality a collection of twenty-four small treatises of the kind previously edited by Dr. Rose, by confronting the public with the hypnotic persuasion of a single volume in which the present state of knowledge about the universe

could be grasped, forced upon even vague readers a similitude of a synthesis. Such shock tactics are desirable with the medley of interests thrust upon the educated public. With specialised topics it is questionable how far simplification is justified. To give the uneducated or half-educated a new jargon under pretence of enabling them to catch up with intellectual progress is perhaps to do them more harm than kindness, but works like *The Science of Life* (Cassell), by Mr. H. G. Wells and Mr. Julian Huxley, may be left to earn their own reward. In literature a praiseworthy attempt to see where we are, for the benefit of those few who are concerned for the fate of literature, is to be found in the second volume of **Scrutinies*, edited by Mr. Edgell Rickword, in which the Georgian masters are subjected to minute analysis in accordance with standards strictly held, even if not universally acceptable.

Although the number of volumes of poems dropped, it is pleasing to record the unusual quantity of readable and even excellent poetry that appeared during the year, both from practised and untried pens. A respect for language, an absence of mere strumming in verse, and a serious attempt to record the mental and physical phenomena of the age in terms of its own sensibility augurs well for the long-expected poetical awakening. It is difficult enough to gauge the temper of the times, and *New English Poems* (Gollancz), edited by Mr. Lascelles Abercrombie, did not help as much as was hoped. So many representative poets were unable to be included, and so modest was the editor in resisting the temptation to map the poetical landscape, that gratitude is due for the individual items rather than the anticipated panorama of contemporary poetical production. The summits of the volume are four new poems by Mr. L. Aaronson, and a long poem by Mr. Gordon Bottomley, as well as interesting contributions by Mr. Edmund Blunden, Mr. Ford Madox Ford, Mr. Frank Kendon, Mr. Alan Porter, and Mr. Hugh M'Diarmid. The most moving volume of the year was Mr. James Stephens' **Strict Joy* (Macmillan), in which a poet who has often appeared to the indiscriminating public as a mere entertainer showed his concern with the processes of thought, and following on the impact on him of the doctrines of Plotinus, allowed a philosophical undercurrent to drag him into realms of pure beauty. Mr. Lascelles Abercrombie, in *The Sale of St. Thomas* (Seeker), completed a dramatic poem whose opening act has for many years been treasured by his admirers. His fine argument in verse, and the rigid idealism of his attitude fully justified the hopes that had been formed. One of the most interesting volumes of the year was Mr. C. Day Lewis's *From FeatJiers to Iron* (Hogarth Press), the work of one of the younger poets, a tense, almost metallic sequence in which all the processes of growth, the functions of nature and earth, the business of begetting and the very organism of machinery appear and reappear at the will of a poet much aware of his times. The teeth are clenched the whole time, there are no soft concessions to purposeless music. His previous volume was called *Transitional Poems*; this is even more so, and if his work wins through to music again it will be grand stuff. Mr. Robert Graves's *Poems, 1926-1930* (Heinemann), and *To Whom Else* (Seizin Press), show him a mature poet who continues to add to English

poetry. His restless inquiring mind, and his sure distilled technique make everything he writes of interest in spite of its frequently cryptic form.

For every word I write
I scratch out nine or ten,
And each surviving word
Resentfully I make
Sweat for those nine or ten
I cancelled for its sake.

In "Interruption," however, he provides a poem which by all canons should be permanent.

A healthy vigour and headlong castigation spring from the pages of Mr. Koy Campbell's *The Georgiad* (Boriswood). It is long, it is particular, and its satire will in the main be apparent to those who are whipped and to those who are already convinced ; but even the detached observer will be moved by the indignation that displays itself in fierce couplets of direct accusation, in unsparing condemnation of log rolling, of literary cowardice, of effeminacy, of the social paraphernalia of letters, and in scorn of the Time Spirit's limp—

Still in his tender disillusion sore
Because, ten years ago, there was a war.

For its relevance to the times it will be an historical document of value ; for its passionate statement of the poet's positive credo, it will have significance as poetry. An admirable selection of his accomplished lyrical work was added to the *Augustan Poets* (Benn). Mr. Edgell Rickword's satire in *Twittingpan* (Wishart) is less tempestuous, but much more deeply rooted. He is our modern Donne, both in disillusion and technique, and his satire includes yet transcends the contemporary scene by telling of typical abuses in terms that can be perennially renewed by substituting the label of the incarnation of the moment. No juster description of Donne has been given than this tribute of his disciple :—

He wooed God "like an angel from a cloud "
preaching; but sometimes the more faithful pen
revived a metaphor that had trapped a wench
and shames the dandy in the wimpled shroud.

His ruthless recognition of shams warns off facile sympathisers, but those who relish an exact relation between emotion and imagery will not go unrewarded from his work. The appearance of these two important volumes of satire should give the general reader the comfort of knowing that literary abuses are not entirely overlooked.

A number of the older poets have issued collected volumes. Mr. Sturge Moore's *Collected Poems* (Macmillan) are the fruit of much sensitive thinking about the higher problems of beauty and of poetry. Mr. Lawrence Binyon's *Collected Poems* (Macmillan), on a colder, more marmoreal plane, rely for communication on a special sympathy which cannot always be granted in these exciting days. Of younger authors a welcome volume was Mr. Robin Flower's *Poems and Translations* (Constable), in which are

collected translations from the Irish and original poems of a directness and delicacy that have long been cherished by a select public. Mr. Martin Armstrong offered his *Collected Poems* (Seeker) to his admirers, and *The Collected Satires and Poems of Osbert Sitwell* (Duckworth) gave an opportunity of judging in better perspective the satirical relevance of a poet whose work has often delighted in flashes. Mr. L. A. G. Strong, in *Selected Poems* (Hamish Hamilton), presented to a growing circle of appreciation the rugged and vigorous work of a poet concerned deeply with human emotion and aspiration. A. E.'s *Vale and Other Poems* (Macmillan) left a note of sadness in its implication of departure, but all his strength of meditation and transmuted personal feeling is still there for his admirers. The *Ariel Poems* (Faber) continue year by year to give their astonishing proportion of high quality. This year the most important were the vigorous *Choosing a Most*, by Mr. Roy Campbell, the poignant *Jane Barston*, by Miss Edith Sitwell, and the enigmatical yet moving *Triumphal March*, by Mr. T. S. Eliot.

Of new poets the most promising was Mr. Romilly John, with his volume *Poems* (Heinemann). He is sensitive, not so much to things, as to the atmospheric teaching of things. Words have a ring in his more mature work, and thought is definitely present in fantasy, originality, and personality of view. Two poems, "The Stalagmite" and "The Grandmother's Clock," are of special interest and quality. It is indeed a good year that must compel a mere listing of such poets, interesting each in his own way, as Mr. Edward Davison, *The Heart's Unreason* (Gollancz), Mr. Hugh M'Diarmid, whose *First Hymn to Lenin* (Unicorn Press), and *To Circumjack Cencrastus* (Blackwell), gain a powerful and tough quality from the Scottish dialect, Mr. W. J. Turner, whose *Pursuit of Psyche* (Wishart) continues one strain of modern metaphysical poetry, Mr. W. R. Childe, whose *Golden Thumble* (Cecil Palmer) pursues the steady path of his ascetic and jewelled moods, Mr. Humbert Wolfe, whose *Snow* (Gollancz) hinted at new discipline, Mr. Aldous Huxley, whose *Cicadas* (Chatto & Windus) returns to an earlier field of adventure from which much was expected, Mr. John Collier, whose *Gemini* (Desmond Harmsworth) contains an interesting theory of poetry in exposition and practice, Mr. Robinson Jeffers, whose *Dear Judas* (Hogarth Press) shames the thin blood of many a would-be poet, and two women poets, Miss Sackville-West, whose *Sissinghurst* (Hogarth Press) is at the extreme pole from H. D. with her strict imagistery in *Red Roses for Bronze* (Chatto & Windus).

A welcome volume was Mr. Blunden's new edition, with new matter and new texts, of *The Poems of Wilfred Owen* (Chatto & Windus).

It is regrettable that so little serious criticism of literature, its standards, technique, and assumptions should have appeared during the year. The most important book in this field was the second volume of **Scrutinies* (Wishart), in which, under the editorship of Mr. Edgell Rickword, a group of youngish dissenters from literary orthodoxy comment on the representative writers of to-day, Eliot, Huxley, Joyce, Lewis, the Sitwells, Mrs. Woolf. Their comment is shrewd, and it is good to have a conscious body of dissent, a permanent and pertinent yet varied opposition. The dangers of a

National Government in literature are only too apparent, but the dangers of an orthodoxy of dissent are just as great. On a more human plane, one of the most interesting books of the year, and one of permanent value, was Mr. L. A. G. Strong's *Common-sense in Poetry* (Gollancz). No more persuasive or understanding book can be found to draw the reluctant man in the street into the reading of poetry. It is not so much "Poetry without Tears" as "Poetry without Fears." Of the historical materials for critical theory, the most valuable contribution of the year was *Coleridge's Shakespeare Criticism*, in 2 vols. (Constable), in which new material and a completely new and authentic text paved the way for a more exact understanding of our greatest roadmaker among English critics. Mr. Desmond MacCarthy, in *Portraits* (Putnam), gave the first volume of the collected edition of his admirably poised and penetrating studies of literary figures. Mr. Edmund Blunden, in *Votive Tablets* (Cobden Sanderson), collected his dignified and ripe criticism from the middle page of *The Times* and the front page of *The Times Literary Supplement*. Mr. Lytton Strachey, in * *Portraits in Miniature* (Chatto & Windus), skimmed the biographical cream from some fascinating literary personalities, and made a special study of six English historians. Mr. Ezra Pound, in *How to Read* (Desmond Harmsworth), produced a highly provocative curriculum for the young aspirant to literary understanding. There is much that is valuable in his suggestions, but it is perhaps better to have grown up with Mr. Pound than to receive in such concentrated form the results of his hard-won experience.

It is gratifying to see, year by year, the maintenance and even increase of interest in the national literature, whether by publication of new and accurate texts, scholarly biography, or exact exploring of uncharted sections of literary history. Miss Rose Macaulay produced an excellent little survey of *Some Religious Elements in English Literature* (Hogarth Press), Professor Louis Cazamian gave the first volume of his shrewd and detached account of *The Development of English Humour* (Macmillan), and Messrs. Herbert Read and Bonamy Dobree, in their *London Book of English Prose* (Eyre & Spottiswoode), compiled perhaps the most interesting anthology of prose now available.

Mr. Philip Henderson edited a modernised text of *The Complete Poems of John Skelton* (Dent), to feed the now fashionable interest in that turbulent and difficult poet. Miss Mona Wilson wrote one of the best biographies of the year in her *Sir Philip Sidney* (Duckworth). Professor H. S. V. Jones, in his *Spenser Handbook* (Crofts), supplied a much-needed guide through the maze of Spenser scholarship and interpretation. Shakespeare came in for some attention. Professor Leslie Hotson, less fortunate than with Marlowe, gave in his *Shakespeare and Shallow* (Nonesuch Press) a mass of fascinating but unfounded conjecture. Mr. Wilson Knight, in *The Imperial Theme* (Oxford University Press), mirrored himself in a discussion of Shakespeare's recurrent themes and imagery. A less disputable and more interesting volume was Dr. R. W. Babcock's discussion of *The Origins of Shakespeare Idolatry, 1766-1799* (Oxford University Press), and Mr. W. Ebisch and Professor L. L. Schucking compiled a really useful

Shakespeare Bibliography (Oxford University Press). Elizabethan life was again illuminated in Mr. G. B. Harrison's *Second Elizabethan Journal* (Constable). A welcome publication was the first volume of the first collected edition of *Michael Drayton* (Blackwell), under the care of Professor J. W. Hebel. Philemon Holland's version of *Suetonius's History of the Twelve Ccesars* was magnificently reprinted by Messrs. Etchells & Macdonald, while the art of *Translation*, of which this was a fine example, was discussed by Dr. F. O. Matthiessen (Oxford University Press). Mr. A. M. Clark produced a minutely detailed study of Thomas Heywood (Blackwell); Mr. N. Burton Paradise, a monograph on *Thomas Lodge* (Oxford University Press); Mr. A. Wigfall Green, a study of *The Inns of Court and Early English Drama* (Oxford University Press). Mr. A. E. Stamp, of the Public Record Office, decided definitively the authenticity of *The Disputed Revels Accounts* (Oxford University Press), so important for dramatic history; and Dr. W. W. Greg, our most vigorous scholar in these matters, published invaluable facsimiles and discussion of *Dramatic Documents of the Elizabethan Playhouses* (Oxford University Press). Several volumes appeared in the collected edition of *Christopher Marlowe* (Methuen).

In seventeenth-century literature the most important publication was the inauguration of the great Columbia University edition of *The Works of John Milton*. Miss Helen Darbishire edited a facsimile of the *Manuscript of Paradise Lost*, Bk. I. (Oxford University Press). A much awaited new edition of *Dryden's Plays* (Nonesuch Press), under the editorship of Mr. Montague Summers, disappointed by the erratic nature of its text. Mr. Roswell G. Ham discussed two neglected dramatists, *Otway and Lee* (Oxford University Press). Mr. D. Crane Taylor left much undone in his *William Congreve* (Oxford University Press). Professor A. H. Nethercot produced some admirable pioneer work in the first full life of *Abraham Cowley* (Oxford University Press), and *The Poems of Sidney Godolphin* were edited by Mr. W. Dighton (Oxford University Press). The eighteenth century attracted less attention than usual this year. Mr. T. Wright added a little to the biography of *Daniel Defoe* (C. F. Farncombe), and Mr. Carl Van Doren wrote on *Swift* (Seeker). Mr. R. E. Tickell gave the first modern life of his ancestor *Thomas Tickell* (Constable). A welcome and useful publication was *The Private Papers of James Boswell* (Oxford University Press), a catalogue edited by Professor F. A. Pottle, while the large question of Boswell's best-known achievement was admirably placed in its perspective by Professor M. Longaker in his *English Biography in the 18th Century* (Oxford University Press). Interesting reading was to be found in W. Cole's *Journal of my Journey to Paris in 1765* (Constable), and *The Bletchley Diary of the Rev. William Cole, 1765-1767* (Constable), and in *The Journals of Gilbert White*, edited by Mr. Walter Johnson (Routledge). An important publication was *The Letters of Robert Burns*, in 2 vols. (Oxford University Press), while a little suspected store of shrewd opinion and excellent English was found in the eight-volume edition of *The Letters of John Wesley* (Epworth Press). Mr. R. B. Clark wrote the first monograph on that scourge among critics, *William Gifford* (Oxford University Press), one of whose victims was honoured in the two volumes

of *The Letters of John Keats*, edited by Mr. Maurice Buxton Forman (Oxford University Press).

The Romantic period was displayed in three volumes of interest, *The Elian Anthology*, edited by Mr. S. M. Rich (Herbert Joseph), Mr. E. H. Lacon Watson's collection of *Contemporary Comments* (Eyre & Spottiswoode), and Mr. Blunden's valuable edition of *Sketches in the Life of John Clare* (Cobden Sanderson). The Scott Centenary celebrations were foreshadowed in Mr. Greville Worthington's *Bibliography of the Waverley Novels* (Constable), and Miss M. Clive Hildyard's selection of *Lockharfs Literary Criticism* (Blackwell). The novelists came in for a fair share of attention, the late Mr. John Bailey's pious *Introductions to Jane Austen* (Oxford University Press) were collected, and a new story by Charlotte Bronte, *The Spell* (Oxford University Press), was issued. Mr. Michael Sadleir gave the first fascinating instalment of his *Bulwer, A Panorama* (Constable). Professor Saintsbury's *Consideration of Thackeray* (Oxford University Press) collected his appreciative earlier prefaces; Mr. Malcolm Elwin published an interesting study of *Charles Reade* (Cape); Mr. O. G. Burris, an account of *R. D. Blackmore* (Illinois Press); and Mr. S. M. Ellis, a welcome biography of Henry Kingsley (Grant Richards). A number of *Unpublished Early Poems*, by Tennyson (Macmillan), threw light on his earliest processes, and *Smnburne* was studied anew by Mr. S. C. Chew (Murray).

Of more recent writers, the fruits of Mrs. Hardy's rich material in her biography were seen in Mr. Arthur McDowall's study of *Thomas Hardy* (Faber). Mrs. Helen Thomas, in semi-veiled form in *World Without End* (Heinemann), continued her account of that excellent poet Edward Thomas; Mr. Middleton Murry, in *The Son of Woman* (Cape), gave a deeply personal account of D. H. Lawrence, and a memoir of C. K. Scott Moncrieff (Chapman & Hall) increased our regret for the departure of the translator of Proust. An interesting series of small monographs included Mr. H. M. Tomlinson's tribute to *Norman Douglas* (Chatto & Windus), Mr. T. McGreevy's analysis of *Thomas Stearns Eliot* (Chatto & Windus), and his praise of *Richard Aldington* (Chatto & Windus), in a setting which gives a valuable account of the evolution of contemporary literary sensibility. Mr. J. C. Powys praised the work of *Dorothy Richardson* (Joiner & Steele), and an American scholar, Mr. Glenn Hughes, explored in detail the interesting topic of *Imagism and Imagists* (Oxford University Press). The new standard edition of the *Works of Bernard Shaw* (Constable) deserves special mention, as it includes a hitherto unpublished novel, *Immaturity*, and a full collection of his war-time writings.

In foreign and ancient language and literature a number of works of interest appeared. Mr. E. E. Sikes gave a useful account of *The Greek View of Poetry* (Chatto & Windus), and Father J. F. D'Alton produced a valuable work in a less explored field in *Roman Literary Theory and Criticism* (Longmans). Mr. B. F. C. Atkinson inaugurated a new series with a comprehensive study of *The Greek Language* (Faber). Mr. Halvdan Koht gave a concise account of *The Old Norse Sagas* (Allen & Unwin), as well as a solid study of *The Life of Ibsen* (Allen & Unwin). Mr. W. A. Berendsohn examined the work of *Selma Lagerlbf* (Ivor Nicholson &

Watson), Dr. William Rose collected his prefaces and other papers in *Men, Myths, and Movements in German Literature* (Allen & Unwin), and Mr. H. W. Nevins brought out a volume on *Goethe* (Nisbet) in good time for the Goethe Centenary. Mr. McNair Wilson wrote a sprightly biography of *Germaine de Stael* (Eyre & Spottiswoode), and Mr. Samuel Beckett's concise and searching analysis of Proust (Chatto & Windus) attracted much attention. Mr. E. H. Carr's *Dostoevsky* (Allen & Unwin) utilised the large body of material published of recent years in Russia. A really valuable work on philology was the translation of Professor Holger Pedersen's illuminating and informative *Linguistic Science in the 19th Century* (Harvard).

The life and history of the theatre received much attention. The most important book in this field was Professor Allardyce Nicoll's * *Masks, Mimes, and Miracles* (Harrap), a richly illustrated and documented study of popular drama from the Greek mime to the Commedia dell' Arte. Mr. T. Komisarjevsky, in *The Costume of the Theatre* (Bles), gave some pertinent material and much interesting discussion of an important theme. Mr. Gordon Craig's *Ellen Terry and Her Secret Self* (Sampson Low) gained special value from the sprightliness of the biographer and the fact that he is the son of his subject. An important and exciting appendix to this volume was the collection of letters written between *Ellen Terry and Bernard Shaw* (Constable), in which the art of fantasy seems to have been brought to the utmost passion of pretence. Mr. Granville Barker's lectures *On Dramatic Method* (Sidgwick & Jackson), more miscellaneous than some of his volumes, nevertheless contained much instruction for those seriously interested in the inner problem of dramatic art. Among the published plays were Mr. Thornton Wilder's ingenious short experiments in * *The Long Christmas Dinner* (Longmans). Mr. Noel Coward issued his *Collected Sketches and Lyrics* (Hutchinson), and his as yet unperformed play, *Post Mortem* (Heinemann), in which he uses all his knowledge of theatrecraft to grip the reader along many lines of sentiment. Mr. C. K. Munro's *Bluestone Quarry* (Gollancz), performed by the Stage Society, was another illustration of the unpruned powers of a dramatist from whom much is still expected. Mr. Ashley Dukes collected *Five Plays of Other Times* (Benn), Mr. Somerset Maugham published two volumes of his *Collected Plays* (Heinemann), while among foreign playwrights Mr. F. Bruckner's *Elizabeth of England* (Benn) gave an opportunity of comparing the play with the performance. In lighter vein Miss Maisie Gay's *Laughing Through Life* (Hurst & Blackett), and Mr. Harry Randall's *Old Time Comedian* (Sampson Low), took us into a real but little-explored world, while *Life's a Lark*, by Grock (Heinemann), did everything except explain the secret of the modern world's greatest clown and mime. Mr. Anton Dolin's somewhat early *Divertissement* (Sampson Low) took us into the world of ballet, while Colonel Archer's life of *William Archer* (Allen & Unwin) brought back to memory a critic who, with all his shortcomings, has no parallel in the world of the theatre to-day.

The unsure world of the film was explored in *Cinema* (MacLehose), by Miss C. A. Lejeune, whose comments in the *Manchester Guardian* and

Observer helped in the education of many thousands of film-goers. Mr. Paul Rotha, in *Celluloid* (Longmans), continued his historical survey to recent times. A delightful little volume was *Walking Shadows* (Hogarth Press), in which Mr. Eric Walter White discussed with agreeable ease the work and the methods of Lotte Reiniger, the creator of the silhouette film.

In the arts the most welcome publication of the year was the little manual * *The Meaning of Art*, by Professor Herbert Read (Faber), in which are discussed with unusual and exemplary clarity the problems and history of art from cave painting to Henry Moore. It is the best book in existence for beginners, and there is much to be learned even by the experienced. Its value is enhanced by the careful and interesting choice of illustrations. On a more ambitious scale Sir Charles Holmes constructed *A Grammar of the Arts* (Bell). From the side of the artist came *The Sculptor Speaks* (Heinemann), in which Mr. Arnold Haskell, with discreet self-effacement, recorded the essence of a long series of conversations with Jacob Epstein, the sculptor. The valuable comments on the nature of beauty, of tradition, of the peculiar problem of sculpture, the analysis of the history of art and the generosity towards serious fellow-artists should entirely dispel popular misconceptions, and give the volume a permanent and increasing value as the direct utterance of a very great artist. A view of another type of artist was given in a somewhat lurid account by Mr. H. Gr. Ede in *The Savage Messiah* (Heinemann), of the late Henri Gaudier Brzeska, a sculptor and draughtsman of considerable accomplishment and greater promise. Mr. Bernhard Berenson wrote a valuable series of *Studies in Mediceval Painting* (Oxford University Press), and Miss Joan Evans, a monumental survey of *Pattern: A Study of Ornament in Western Europe, 1180-1900* (Oxford University Press). The French Exhibition at Burlington House called forth a number of volumes of varying merit, including Mr. R. H. Wilenski's well-illustrated *French Painting* (Medici Society), Mr. A. Clutton Brock's *Introduction to French Painting* (Chapman & Hall), and Mr. Clive Bell's *An Account of French Painting* (Chatto & Windus).

The materials for the history of England this year were neither copious nor of supreme quality, though several sound and interesting volumes appeared. Mr. I. N. Brooke studied the relation of *The English Church and the Papacy* (Cambridge University Press) in its early period. Mr. L. F. Salzman gave a valuable and readable account of *English Trade in the Middle Ages* (Oxford University Press), and some of its material was relevant to the fascinating story by Professor W. E. Mead of *The English Mediceval Feast* (Allen & Unwin). Mr. H. Belloc, in his *History of England*, Vol. IV. (Methuen), gave a picture of the Reformation from his own strongly marked standpoint, while Mr. E. Lipson's careful and learned *Economic History of England*, Vols. II. and III. (Black), covered the Tudor and Stuart periods. Lady Burghclere's life of *Strafford*, in 2 vols. (Macmillan), from unpublished documents, gave our most complete and detailed account of that enigmatical statesman. Mr. I. Deane Jones's study of *The English Revolution, 1603-1714* (Oxford University Press), was a concise and welcome examination of an increasingly popular field of research, while Mr. Arthur

Bryant's *King Charles II.* (Longmans), by the good fortune of being a Book Society's choice, gained a very wide public. Miss M. Dorothy George wrote another of her well-informed studies on *England in Transition: Life and Work in the 18th Century* (Routledge), and Professor A. E. Richardson published an excellently illustrated survey of *Georgian England* (Batsford). Mr. H. McLachlan used some important and little-worked material in a monograph on *English Education under the Test Acts* (Manchester University Press). Mr. F. S. Oliver, in the second volume of his * *The Endless Adventure (1727-35)* (Macmillan), continued his very personal interpretation of the career of Walpole, while Mr. G. R. Sterling Taylor, in *Robert Walpole and His Age* (Cape), utilised the materials brought to light by the Historical Manuscripts Commission. *Some Materials Towards Memoirs of the Reign of King George II.* (Eyre & Spottiswoode) gave at last the full text of Hervey's Memoirs from the Royal archives at Windsor Castle. Professor F. J. C. Hearnshaw collected another valuable volume of lectures in *Social and Political Ideas of Some Representative Members of the Revolutionary Era* (Harrap). Mr. Philip Guedalla wrote a vivid account of * *The Duke of Wellington* (Hodder & Stoughton), and in *Sir Francis Burdett and His Times*, 2 vols. (Macmillan), Mr. M. W. Patterson gave a full and varied picture of many important aspects of the early nineteenth century. In *The Foreign Policy of Castlereagh, 1812-1815* (Bell), Mr. C. K. Webster completed his admirable study of that statesman during the reconstruction of Europe. Victorian history was illuminated by a group of volumes, including a further instalment of Mr. G. E. Buckle's *Letters of Queen Victoria, 1891-1895* (Murray), Lady Gwendolen Cecil's continuation of her *Life of Robert, Marquess of Salisbury* (Hodder & Stoughton), and Lord Crewe's two volumes of the life of *Lord Rosebery* (Murray). In more recent history, Mr. Cecil Headlam's publication of *The Milner Papers : South Africa, 1897-1899* (Cassell), was full of instruction, while Mr. Alan Bott's *Our Fathers (1870-1900)*, gave a fascinating glimpse in contemporary pictures of a world beginning to return to aesthetic favour. A salutary examination of the dangers and difficulties of the immediate present was made by Mr. Andre Siegfried in *England's Crisis* (Cape).

European history fared much better. A very valuable bibliographical *Guide to the Study of Mediaeval History* was compiled from the materials of Professor L. J. Paetow by the American Mediaeval Academy, and a translation appeared of the highly important life of *Frederick the Second* (Constable), by Mr. Ernst Kantorowicz. One of the most significant publications of the year was the translation, at long last, of Troeltsch's epoch-making and monumental *Social Teaching of the Christian Churches* (Allen & Unwin). The *Legacy of Islam*, edited by the late Sir Thomas Arnold and Professor Alfred Guillaume (Oxford University Press), was a valuable addition to an important series and discussed many topics of wide interest, from Omar Khayyam to the Crusades. Sir William Ridgeway, in *The Early Age of Greece*, Vol. II. (Cambridge University Press), and Mr. John Mavrogordato, in *Modern Greece* (Macmillan), provided a contrast. Professor M. L. W. Laistner issued a packed account of *Thought and Letters in Western Europe*

(Methuen). Mr. F. W. Buckler, in *Harunu'l Rashid and Charles the Great* (Cambridge, Mass.), described with quiet authority two figures of romance, and the narrative of Isaac the Jewish interpreter, sent by Charlemagne with his embassy, was included in Mr. E. N. Adler's collection of *Jewish Travellers, 801-1755* (Koutledge). *Viking Civilization* was treated by Mr. Axel Olrik (Allen & Unwin), and Professor Altamira's great *History of Spanish Civilization* (Constable) was reduced by him into a single volume for English consumption. The documents of *The Trial of Jeanne D Arc* (Routledge) were made available by Mr. W. P. Barrett. *The Jacobins* were studied by Mr. C. C. Brinton (Macmillan), and *The Paris Commune* by Mr. E. S. Mason (Macmillan). An important contribution to modern French history was *The Truth about Dreyfus : From the Schwartzkoppen Papers* (Putnam). *Russia : A Social History*, by Mr. D. S. Mirsky (Cresset Press), dealt with the pre-revolutionary period, and Prince von Billow's *Memoirs, 1897-1903* (Putnam), supplied important material for recent history. Dr. G. P. Gooch's *Studies in Modern History* (Longmans) gave further illustration of his wide reading and pertinent comment, and Mr. A. J. Toynbee's *Survey of International Affairs* (Oxford University Press) continued its annual pastime of letting the cat out of the bag.

One of the most difficult of contemporary tasks is the sorting out of the truth about Russia. Putting aside mere journalism and obviously weighted propaganda, a few books remain to help us form a picture of what is really happening. A concise and illuminating portrait of *Lenin* was written by Mr. D. S. Mirsky (Holme Press). Mr. Y. A. Yakovlev, the Russian Minister for Agriculture, in *Red Villages* (Martin Lawrence), gave a first-hand account of the progress of the Five Year Plan on the land. More general studies were written by Mr. Calvin B. Hoover in *The Economic Life of Soviet Russia* (Macmillan), and Mr. H. R. Knickerbocker in *The Soviet Five Year Plan* (Lane). Mr. Henri Barbusse's earlier impressions appeared in *One Looks at Russia* (Dent). Interesting examples of popularisation of Soviet theories were *Moscow Has a Plan : A Soviet Primer* (Cape), by Mr. M. Hin, and an amusing *Red Comer Book* (Martin Lawrence), a children's Christmas annual on Soviet principles. In cultural matters three publications stand out. An expensive volume of *Selected Works of Art from the Fine Art Museums of U.S.S.R.*, with introduction by Mr. A. V. Lunacharsky (Batsford), contained reproductions of many important and almost unknown masterpieces. A further volume is promised to include paintings by Soviet artists. *Science at the Cross Roads* (Kniga) contained the text of the papers read by the Russian delegates to the International Congress of the History of Science and Technology held in London, and gave important information concerning the Marxist attitude towards scientific theory, and a report of the *Second International Conference of Revolutionary Writers* (Kniga), from the voluminous and wordy pages of which it is possible to construct an idea of the state of mind and, with greater difficulty, of the aesthetic principles of the proletarian movement in literature.

Inquiry into the manners, motives, and distresses of modern society has been as fruitful as usual. A valuable stocktaking continued its course

in the new volumes of the *Encyclopedia of the Social Sciences* (Macmillan). Mr. R. S. Woodworth gave an account of *Contemporary Schools of Psychology* (Methuen), and Mr. H. L. Illingworth mapped the field of *Abnormal Psychology* (Methuen). The various schools of psychological thought contributed their special studies. Dr. Ernest Jones presented the Freudian point of view in his monograph *On the Nightmare* (Hogarth Press). Madame Anna Freud gave an orthodox *Introduction to Psycho-Analysis for Teachers* (Allen & Unwin). Dr. Theodore Reik issued a number of *Ritual Psycho-Analytic Studies* (Hogarth Press). The Adlerians countered with Dr. Alfred Adler's *The Education of Children* (Allen & Unwin), and Dr. E. Wexberg's *Individual Psychology and Sex* (Cape). Dr. E. Kretschmer's *The Psychology of Men of Genius* (Kegan Paul) continued a field of inquiry of much general interest. *The New Survey of London Life* (P. S. King) issued a valuable second volume. Professor H. J. Laski, in *An Introduction to Politics* (Allen & Unwin), gave a more popular and condensed version of his theories. Mr. J. M. Keynes, in *Essays in Persuasion* (Macmillan), collected his prophetic writings. Mr. Leonard Woolf issued the first volume of what promises to be an important series in *After the Deluge : A Study of Communal Psychology* (Hogarth Press), in which he lays his foundation by considering the psychological contribution of the American and French Revolutions to modern feeling. Mr. Hartley Withers applied his readable talent to the discussion of those aspects of the financial situation which he considers to be * *Everybody's Business* (Cape). Mr. R. H. Tawney gave his usual penetrating attention to the problem of social and economic * *Equality* (Allen & Unwin). Mr. Julian Huxley, in *What Dare I Think* (Chatto & Windus), discussed the relations of science to human life and religious feeling, and Mr. Bertrand Russell talked of * *The Scientific Outlook* (Allen & Unwin) with his usual wit and ease.

Some interesting work was done in the field of biography and autobiography. Mr. Belloc's *Cranmer* (Cassell) and Miss Irene Cooper Willis's *Florence Nightingale* (Allen & Unwin) almost belong to the realm of history. The borderland of history and romance was seen in Dr. Curt Elwenspoek's serious study of *Jew Suss Oppenheimer* (Hurst & Blackett) and Mr. Emil Ludwig's *Schliemann of Troy* (Putnam). Mr. Andre Maurois' study of *Marshal Lyautey* (Lane) coincided in timely fashion with the Paris Colonial Exhibition. Miss Anne Holt's study of the many-sided *Joseph Priestley* (Oxford University Press), Mr. R. de Villamil's *Newton, the Man* (Gordon D. Knox), Mr. Hesketh Pearson's account of evolution's grandfather in *Doctor Darwin* (Dent), and the volume on *James Clerk Maxwell* (Cambridge University Press), gave an interesting conspectus of personality in science. Religion was represented in Mr. C. E. Vulliamy's study of *John Wesley* (Bles). The philosophers were admirably treated in Messrs. J. M. Hone and M. M. Rossi's important study of *Bishop Berkeley* (Faber) and in the first modern biography of * *David Hume*, by Mr. J. Y. T. Greig (Cape). Art was represented by *The Letters of John Constable* (Constable), by a memoir from Messrs. M. H. Spielmann and Walter Jerrold of that delicate illustrator *Hugh Thomson* (Black), and by living personalities in the pungent *Confessions of a Keeper*, by Mr. D. S. McColl (MacLehose), the

anecdotal *Time Was* of Mr. W. Graham Robertson (Hamish Hamilton), and in Professor William Rothenstein's *Who's Who of the Nineties in Men and Memories* (Faber). Mr. Ben Tillett's *Memories and Reflections* (Longmans) of his Socialist and Trade Union experiences, Sir Flinders Petrie's *Seventy Years in Archaeology* (Sampson Low), and Sir Oliver Lodge's *Past Years* (Hodder & Stoughton) made excellent reading. On a more serious plane of writing, Mr. Theodore Dreiser's account of his youth in ** Dawn* (Constable) was an important volume. Of the recently departed, Mr. J. A. Hobson and Professor Morris Ginsberg's tribute to *L. T. Hobhouse* (Allen & Unwin), the Rev. J. Lamond's *Life of Arthur Conan Doyle* (Murray), and the Hon. Evan Charteris's *Life and Letters of Sir Edmund Osse* (Heinemann) stood out. *Charlton* (Faber) attracted much attention as the well-written and outspoken recollections of a sensitive and misfit officer. Mr. Ford Madox Ford, in *Return to Yesterday* (Gollancz), gave a lively selection of those stories in which personality adds a glow to fact. The late Frank Harris's life of ** Bernard Shaw* (Gollancz) was a fascinating reflection of its author's temperament and the occasion for some contributions by Mr. Shaw of historical and psychological significance. Two fascinating figures appeared in Mr. C. H. Wilkinson's *The King of the Beggars: Bamfylde Moore Carew* (Oxford University Press), and Thomas Blaikie's *Diary of a Scotch Gardener at the French Court at the End of the Eighteenth Century* (Routledge).

A number of works of special interest do not fall into any of the larger classifications. In *Summer Islands* (Desmond Harmsworth) Mr. Norman Douglas described a Mediterranean paradise in prose that no living author can match. Mr. G. J. Renier raised considerable discussion with his provocative question, *The English: Are They Human?* (Williams & Norgate). Mr. P. Cohen Portheim, in *Time Stood Still* (Duckworth), wrote a moving account of his internment in England during the war. Professor S. A. Cook's *Religion of Ancient Palestine in the Light of Archaeology* (Oxford University Press) filled an important gap, and Professor J. Garstang's ** Foundations of Bible History: Joshua and Judges* (Constable) supplied first-hand evidence. Martin Buber's *Jewish Mysticism and the Legends of Baalshem* (Dent) was translated, and an English text of the much-quoted and little-read *Zohar* (Soncino Press) was made available for the first time. D. H. Lawrence's variations on the theme of *Apocalypse* (G. Orioli) made poignant reading. Two important linguistic studies were Mr. Godfrey Irwin's *American Tramp and Mendicant Slang* (Scholartis Press), and Mr. Eric Partridge's scholarly reprint of Francis Grose's *Classical Dictionary of the Vulgar Tongue* (Scholartis Press), an important supplement, even to the great Oxford Dictionary. A work of the widest appeal was Mr. C. L'Estrange Ewen's *History of Surnames of the British Isles* (Kegan Paul).

A number of new periodicals deserve recording. *Action*, a weekly edited by Mr. Harold Nicolson, was born and died during the year without disclosing the reason for its existence. *The Nation and Athenaeum* and the *New Statesman* were amalgamated into a single paper. *The Crown Colonist* was instituted to supply monthly information about the British Colonial

Empire. *Greece and Rome*, under the auspices of the Classical Association, is intended to appear three times a year, with material useful for the teaching of the classics in schools. *Books and Authors*, a monthly, was designed to promote interest in good books. *Christendom* set out as a *Journal of Christian Sociology*. *The Twentieth Century* appeared as the organ of the Prometheus Society. The *Huntington Library Bulletin* (Oxford University Press) proposes to give news of research into the rich stores of manuscripts and early printed books in that famous collection. Three new literary miscellanies appeared, *Soma*, *The Island*, and in Paris, *The New Review*, in each case as organ of some aspect of the modernist movement. *Dope*, in the form of a newspaper edited by Mr. Bernard Causton, introduced the violent typographical methods of the French Surrealists.

In fiction the year was notable for the considerable number of novelists who in first or second novel renounced the temptation and the risk of becoming best sellers, and wrote books concentrated with power and force on real problems, mainly of suffering and injustice, deserting the glamorous sections of life to deal with poverty, helplessness and hopelessness. Such literature is far from being the literature of escape. An interesting phenomenon has been the reception of such work by reviewers. Original, stimulating, honest, first-hand work of a disturbing kind was greeted by influential critics and novelists in strange ways. One suggested blandly that we must not suppose that because a particular work was grim, pertinent, disturbing, alert, we must necessarily find it admirable. Another condemned one of the most promising of young novelists, while admitting that he had not read, and did not intend to read, the volume. In startling contrast to this was the generous and understanding welcome given by Mr. Michael Sadleir to Doblin's *Alexanderplatz* in the *New Statesman* for December 19, 1931. The foreign novel, however, is expected to be serious. Unless there is some special audience to reach, nobody would spend the colossal pains of translation on a slack or trivial book. The weeding process in each country is happily at the service of the English publisher.

The most fascinating and most important translation of the year was Alfred Doblin's *Alexanderplatz* (Seeker), a grim picture in vivid modern technique of the pity and the terror of life in the underworld of Berlin. Germany also sent us Heinrich Mann's *The Royal Woman* (Putnam), Adrienne Thomas's *Catherine Joins Up* (Elkin Matthews), and Franz Werfel's *The Hidden Child* (Jarrold). From France came several volumes of Colette, *The Ripening Corn* (Gollancz), *Recaptured* (Gollancz), *Fanny and Jane* (Gollancz), and with Willy, *Claudine in Paris* (Gollancz), Andre Gide's *Two Symphonies* (Cassell), Henri Bordeaux's *Murder Party* (Gollancz), Drieu La Rochefoucauld's very modern *Hotel Acropolis* (Nash & Grayson), as well as the final volumes of Marcel Proust, *Time Regained*, translated by Mr. Scott Moncrieff's successor, Mr. Stephen Hudson. Poland sent *From Day to Day*, by Ferdynand Goetels (Elkin Matthews). From an unusual source came Vladimir Levstik's *An Adder's Nest* (Rodker), translated from the Slovene. Spain sent V. Blasco Ibañez's *At the Feet of Venus* (Skeffington), *The Knight of the Virgin* (Thornton Butterworth), and *Unknown*

Lands (Thornton Butterworth). Scandinavia gave us Sigrid Undset's *The Wild Orchard* (Cassell). Russia supplied a number of volumes on the old order and the new. M. E. Shchedrin's *The Golovlyov Family* (Allen & Unwin) is one of the older classics of the order of *Oblomov*. The newer moods are mirrored in V. Shishkov's *Children of Darkness* (Gollancz), a study of the bands of homeless and criminal children. Ponteleimon Romanov's *Three Pairs of Silk Stockings* (Benn) is a slightly satirical picture of changing morality. Vladimir Lidin's *The Apostle* (Cape), and Leonid Leonov's *The Thief* (Seeker), are vivid pictures of manners, and Leonid Leonov's *Sot* (Putnam) is a bustling account of social and economic reconstruction. Maxim Gorky's *The Magnet* (Cape) is an instalment of a vast historical painting of modern Russia's evolution.

In native fiction the choice is indeed hard. Nearly a hundred novels and volumes of short stories demand mention even by strict canons of requirement. Some selections are obvious. Mrs. Virginia Woolf's * *The Waves* (Hogarth Press), in its experimental structure and beauty of prose, was perhaps the outstanding novel of the year. Mr. Galsworthy's *Maid in Waiting* (Heinemann), with its pathetic monument to a fading social code, was almost a landmark of departure. Miss Stella Benson's * *Tobit Transplanted* (Macmillan) gave a picture of Russian exile in a purgatory between China and Japan. Mr. Richard Aldington's fierce * *Colonel's Daughter* (Chatto & Windus), and Mr. Allen Havens's comprehensive *The Trap* (Hogarth Press), were both after-products of the war. D. H. Lawrence's * *The Man who Died* (Seeker), in its reverent variant on the gospel story, was full of power, and among the newcomers, Mr. William Faulkner's technical masterpiece, *The Sound and the Fury* (Chatto & Windus), and his passionate and bitter * *Sanctuary* (Chatto & Windus), were in the highest rank of contemporary creation. Mr. James Hanley, in his moving and sympathetic * *Men in Darkness* (Lane), and his terrifying *Boy* (Boriswood), more than fulfilled his early promise. Mr. T. F. Powys, in * *Vnclay* (Chatto & Windus), brought Death to a village. *Hatter's Castle*, by Mr. A. J. Cronin (Gollancz), a grim story of Nemesis, found many readers. Mr. Hugh Walpole, in *Judith Paris* (Macmillan), supplied a weighty sequel to the admirers of *Rogue Herries*. Miss Clemence Dane's novel of the theatre, *Broome Stages*, was received with marked favour. Miss Margaret Kennedy turned her satire to week-end matters in * *Return I Dare Not* (Heinemann). Miss Sackville-West wrote a tragedy of age and the old order in *All Passion Spent* (Hogarth Press). Mr. George Moore turned his smooth prose towards the age of Pericles in * *Aphrodite in Aulis* (Heinemann). An unusual number of very fine volumes of short stories appeared. Mr. Rhys Davies, in * *A Pig in a Poke* (Joiner & Steele), seems to have inherited a Welsh share of the mantle of Lawrence. Miss May Sinclair's skilful *The Intercession* (Hutchinson), Mr. Sacheverell Sitwell's delicate *Far from My Home* (Duckworth), Mr. Somerset Maugham's mordant *First Person Singular* (Heinemann), Mr. A. E. Coppard's fantastic *Nixey's Harlequin* (Cape), Mr. Frank O'Connor's direct *Guests of the Nation*, and Miss Stella Benson's witty *Hope against Hope* (Macmillan), were among the outstanding collections.

Of well-established writers, Mr. Compton Mackenzie's *Our Street* (Cassell), and *Buttercups and Daisies* (Cassell), Mr. J. D. Beresford's *The Old People* (Collins), and *An Innocent Criminal* (Collins), Mr. Francis Brett Young's *Mr. and Mrs. Pennington* (Heinemann), Miss Sheila Kaye-Smith's *The History of Susan Spray* (Cassell), Miss Susan Glaspell's *Ambrose Holt and Family* (Gollancz), Mr. Oliver Onions's *A Certain Man*, Miss Dorothy Richardson's *Dawn's Right Hand* (Duckworth), Miss G. B. Stern's, *The Shortest Night* (Heinemann), and Miss Fannie Hurst's *Back Street* (Cape), are all to be commended. Of less widely-known but accomplished novelists, Mr. Ludwig Lewisohn's *The Case of Mr. Crump* (Titus), Mr. Thomas Moul's *Saturday Night* (Heinemann), Mr. L. H. Myer's *Prince Jali* (Cape), Mr. T. S. Stribling's *The Forge* (Heinemann), Miss Naomi Royde-Smith's *The Mother* (Gollancz), and *The Delicate Situation* (Gollancz), Mr. Douglas Goldring's *The Fortune* (Desmond Harmsworth), Miss Norah Hoult's *Apartments to Let* (Heinemann), Miss Winifred Holtby's *Poor Caroline* (Cape), Mr. Gerard Hopkins' *An Angel in the Room* (Mundanus), Mr. C. H. B. Kitchin's *The Sensitive One* (Hogarth Press), Miss I. Compton Burnett's *Men and Wives* (Heinemann), Mr. David Garnett's *The Grasshopper Came* (Chatto & Windus), Mr. L. A. G. Strong's *The Garden* (Gollancz), and Mrs. Naomi Mitchison's *The Corn King and the Spring Queen* (Cape), all merit close attention.

Some of the most interesting work of the year came from entirely new or fairly recent arrivals. Mr. Malcolm Muggeridge produced an unusual piece of inspired realism in *Autumnal Face* (Putnam). Mr. John Hampson displayed a personal fantasy in *Saturday Night at the Greyhound* (Hogarth Press). Wit and fancy formed part of the texture of Mr. Eric Linklater's *Juan in America* (Cape) and Mr. John Collier's *His Monkey Wife* (Peter Davies). Mr. R. C. Sherriff's *The Fortnight in September* (Gollancz) was a meticulous exercise in a low key. Mr. William Plomer's *Sado* (Hogarth Press) displayed the sensitiveness of its poet author. Miss Elizabeth Jenkins exercised her growing accomplishment in *The Winters* (Gollancz). Mr. David Burnham, in *This our Exile* (Peter Davies), proved to be a promising American disciple of Mr. Stephen Hudson. Mr. Richard Church threw his gift of enthusiasm into *High Summer* (Dent). Miss Norah James swept the floors of Bohemia in *Wanton Ways* (Duckworth), and Mr. Anthony Powell, in *Afternoon Men*, gave a skilled picture of contemporary studio futility. Mr. H. E. Bates extended his vision to the family of a poor street, * *Charlottes Row* (Cape), and Mr. J. G. Cozzens, in *SS. San Pedro* (Longmans), seemed to hint at a successor to Conrad. With such a flood of younger blood, the novel may yet be the field of victory in the long overdue reawakening of literature.

Of the above books the following have been deemed suitable for special notice; they are given in the order in which they happen to appear in the General Survey :—

GENERAL LITERATURE.

An Outline of Modern Knowledge, edited by Dr. William Rose (Gollancz).—Our age is admittedly an age of unrest, but the acute actuality of our feelings may hide from us the recurrent nature of such epochs. There can therefore be no better method of stocktaking than to discover how the present state of things came about. With adequate knowledge of this background, it is at anyrate possible to see whether the present situation has any roots or analogies. The value of this *Outline* lies, above all, in its recognition of the historical evolution of knowledge. Professor A. Wolf's survey of the main outline of intellectual growth is an excellent prologue, and with Dr. Marett's account of *The Beginnings of Morals and Culture*, prepares the way for the discussion of *The Idea of God* by Dean Matthews, and of *Recent and Contemporary Philosophy* by Professor Wolf. In the sciences Mr. J. W. N. Sullivan gives a chronological analysis of our struggles to grasp *The Physical Nature of the Universe*, and under this general guidance can be explored the fields of *Astronomy*, *Mathematics*, *Biology*, *Sex*, and *Geography*. In more human matters, Professor C. G. Seligman maps the *Characteristics and Distribution of the Human Race*, Professor F. J. C. Hearnshaw traces the growth of man's conception of *History*, and Professor E. A. Gardner examines the ancient remains of man in the light afforded by *Archaeology*. Mr. Maurice Dobb gives an *Introduction to Economics* which leads to studies of man's organisation, *International* by Mr. C. Delisle Burns, *Industrial* and *Political* by Mr. G. D. H. Cole, and *Financial* by Professor T. E. Gregory. The development of *Psychology*, by Dr. F. Aveling, and the newest *Theories of Psycho-Analysis*, by Professor J. C. Fltigel, complete the survey of man's faculties and experiences in life, science, and industry. The aesthetic bogey is partitioned off. *Music* is treated by Professor R. D. Morris, *Architecture* by Professor C. H. Reilly, and *Painting and Sculpture* by Mr. Roger Fry. The crown of the volume is the fine and delicate monograph on the *Principles of Literary Criticism*, by Professor Lascelles Abercrombie. Linked in this manner, which is not altogether that of the book itself, the volume forms a logical picture of civilisation, retrospective and actual, such as no other work, not even an encyclopaedia, presents.

Scrutinies, Vol. I I ., edited by Edgell Rickword (Wishart).—Criticism in the public press is either so hurried or so impotent that no thinking person gains sustenance from it. Those who could usefully guide critical opinion are usually too tired or too disillusioned to do so regularly. Some few years ago a valuable stimulus to critical thinking was produced in the *Calendar of Modern Letters*, under the editorship of Mr. Rickword, but was too relevant for public support, and died. Later a first volume of *Scrutinies* appeared in which Edwin Muir, D. H. Lawrence, Robert Graves, Roy Campbell and the editor discussed the attitude of the present generation

towards the public figures of the last, and Barrie, Bennett, Chesterton, Galsworthy, Kipling, Masfield, Shaw, and Wells received pointed and pertinent judgment. In the present volume the newer gods are submitted to equally close scrutiny, Mr. T. S. Eliot, Mr. Aldous Huxley, Mr. James Joyce, Mr. Wyndham Lewis, the Sitwells, and Mrs. Virginia Woolf. The valuable thing about this collection is the firm emphasis laid on the artist's integrity both in sensibility and craftsmanship. One feels that the critics are sincere and alert, that with the possible exception of Mr. Peter Quennell on D. H. Lawrence there is little snobbishness or prejudice. The critics care for the arts they discuss, are concerned with canons and criteria, are angry at betrayals, and above all are acutely conscious of the contemporary mind, its processes and intellectual milieu. Their merits are clear sight and exact definition, and they are not ashamed to put forward general theories of literature and art.

Strict Joy, by James Stephens (Macmillan).—Mr. Stephens has so often been considered a play-boy in prose and verse that we are glad to welcome this definite statement of a seriousness long enjoyed by his admirers. This volume in its coolness and plainness is the result of philosophical discipline of the emotions of a kind the modern poet rarely permits himself. The pleasures of rapture are so seductive with promise of public reward that it is difficult to restrain oneself from accepting them. The volume contains attempts at definition of poetry, the poet's perpetual attempt at a diagnosis of his malady, and of that strange power of metamorphosis by which "the poet makes grief beautiful." The pride of the volume is a series of poems, *Theme and Variations*, consequent on a reading and meditation of Plotinus, and is dedicated partly to Stephen McKenna, the translator of Plotinus. Mr. Stephens' full powers, his richness and control, are displayed in the ramifications of a thought explored through the subtle avenues of association and fantasy. Mr. Stephens' personal processes in poetry are displayed with a virtuosity and persuasion that may well serve as a key to the understanding of poetry itself.

Portraits in Miniature, by Lytton Strachey (Chatto & Windus).—The late Mr. Lytton Strachey occupied a peculiar position in modern literature. He was the public bellman of a phase that had occurred some time before he wrote, the emancipation from the Victorian bogey. *Eminent Victorians* and *Queen Victoria* were so recognisably true to the accepted feelings of his day that, as in all similar situations, he was regarded as a pioneer. In *Elizabeth and Essex*, he turned his attention to a field beyond his competence, in which his special talent of distortion was not needed. There was no necessity to "debunk" the Elizabethan age. The present volume of essays provides an epitome of the methods of a man who had outlived his historical function. He is seen as a scholar, with a pretty luck in exposition, as a dandy in historical perspectives, an arranger of still lifes with historical material. He writes of history with a spotlight and a perpetual mark of admiration. Fortunately, there are enough eccentrics and grotesques in the world, or enough individuals to appear grotesque by a caricature or emphasis or even invention. Sir John Harrington, Muggleton, John Aubrey, the President de Brosses and Boswell are all

good hunting. His study of six historians, including Macaulay, whose invention of journalese is not without relevance, Hume whose detachment is admired, and Gibbon whose power of exclusion is envied, throws much light on his sympathies. Lytton Strachey's significance was that he brought, even if in amateur fashion, the standards of a classical age into a world of enthusiasm.

Masks, Mimes, and Miracles, by Allardyce Nicoll (Harrap).—Professor Nicoll continues to earn our gratitude by his pioneer studies of different dramatic fields, and our amazement at his prolific but always productive pen increases. This time he explores, for the first time in English, the whole field of popular tradition in drama from Greek times to the drama of the *Commedia dell' Arte*. It might be thought of as a history of the charade through the ages, in its study of the freshness of humour, of improvisation, and of satire presented through the medium of the human body. In this sense it is the ancestry of the music-hall, of pantomime, and of the cinema. Much valuable material is here brought together from an imposing variety of sources concerning the masks, the costumes, the properties, and even the physical gags of the popular theatre which at a lower level accompanied the more dignified drama of classical times. There are useful studies of the secular and religious drama of the Middle Ages, and an extended discussion of the scenarios, types, and companies of the *Commedia dell' Arte*, with a valuable forty-page appendix, giving lists of actors and scenarios. The volume is adorned with over two hundred illustrations from frescoes, vases, sculpture, manuscripts, paintings, puppets, and engravings.

The Long Christmas Dinner, by Thornton Wilder (Longmans).—Mr. Wilder has the power of thinking of an unusual situation and clothing it with character and wit commensurate with the idea. In his collection of short plays his fancy is alert. *The Long Christmas Dinner* is a fantasy of the passing of time, birth and death at life's banquet; it covers a period of ninety years with no interruption, and with supreme care should provide a moving theatrical hour. *Pullman Car Hiawathia* brings the universe, planets and all, into an expressionistic extension of a railway train, and is perhaps more suited to the study than the stage. All the plays provide admirable glimpses of Mr. Wilder's process of discipline from which we may expect a new and more precise mood in his fiction.

The Meaning of Art, by Herbert Read (Faber & Faber).—Mr. Read has recently been appointed Professor of Fine Art in the University of Edinburgh, and he goes with this admirable volume as his most potent credential. His gifts of care, conscience, and directness have produced excellent results in his literary criticism. In applying his power to art criticism, he was guided by the salutary necessity of clarity in his articles in the B.B.C. paper, *The Listener*, from which the volume is ultimately derived. In the space of 150 pages it has wise and personal explanation of Primitive Art, Egyptian, Chinese, Persian, Byzantine, and Christian art, gives admirable analysis of the character of Gothic and Renaissance art, and a brilliant treatment of Baroque and Rococo. It gives a system of aesthetics in miniature, and some valuable comments on psychology. It treats with

full modern sensibility of such modern figures as Marc Chagall, Paul Klee, and Henry Moore, and even finds space for nearly fifty reproductions chosen with catholicity and ripe judgment. There is no other book in English so direct, so clear, and so simple as an introduction to the problems of art.

The Endless Adventure, Vol. n. (1727-1735), by F.S. Oliver (Macmillan).

—Eeadcrs of Mr. Oliver's first volume turned with avidity to its successor, and found the same delightful style in a book which pleased by a subtle combination of a knowledge of the period, a mellow philosophy of life, and a deep interest in politics—for Mr. Oliver "the endless adventure." His studies of character are remarkable for the clearness of outline achieved with an exemplary economy of words. The sketch of George II. and of his consort; the contrast between Walpole and Fleury; the delightful delineations of the royal puppets who flitted in and out of the European stage in the eight years covered in this volume—who can easily forget the pleasure they afford? Mr. Oliver's skill extends also to depicting periods. His little study of the state of Europe in the year 1727 reminds one of a miniature deftly painted. While in this volume the principal interest of the author are the achievements of his hero in domestic politics, more especially in relation to the Excise Bill of 1733, the sphere of foreign affairs is illuminated in Mr. Oliver's own inimitable fashion. The prophecy may be ventured that the second instalment of *The Endless Adventure* will rank among the distinguished publications of the year 1931.

The Duke, by Philip Guedalla (Hodder & Stoughton).—Mr. Guedalla has resurrected Wellington from the pedagogic tomb of Waterloo. Colonel Arthur Wellesley went to India at twenty-seven, and eight years Sepoy-General in Mysore, learned the craft of the soldier and the administrator. An interlude at Dublin Castle was followed by seven years war in the Peninsula whence, by an infinite capacity for detail, plain living, and imaginative perseverance he returned, a Duke. "Saviour of Europe" at forty-six, "the man of the age"—Disraeli said—he was for over thirty years to ride into the political battleground of Europe, disciplining, by resistance and retreat, the Tory troops into victory. At fifty-eight, the Commander-in-Chief became Prime Minister. But in 1828 there was a new spirit abroad. The Duke was no "democrat"; but "a judicious strategy of retreat might, if persisted in, keep the Whigs perpetually in Opposition and save the State." If the remedy for an Irish rebellion were Catholic Emancipation, was not the issue one of expediency, not of principle? Were not the times—as a century later—"exceptional"? "He was always more anxious to be right than to be consistent." But Reform was another matter, involving "the downfall of the Constitution." The Duke resigned. "What is the best test of a great general?" He replied: "To know when to retreat and to dare to do it." The Duke made an attempt early in 1832 to form a Tory Government to preserve order, and to pass a moderate Reform Bill. "Never a good party man, he was prepared to sacrifice Tory orthodoxy in a crisis." He failed. But to avoid a wholesale creation of Whig peers, he advised retreat. Once again, in 1846, the High Protectionist, finding Free Trade inevitable, beat the

retreat, and the Corn Laws were repealed. In this pageant of prose the tale of the Duke is told by a master. The grand procession moves through India, Ireland, Spain, Europe. Occasionally (as processions do) it halts or labours. The battles are unconvincing. But who can charm us with the manners of a period or a man more than Mr. Guedalla? *The Duke* will live.

Everybody's Business, by Hartley Withers (Jonathan Cape).—In a year in which economic problems, especially in their international aspect, occupied the thoughts and interests of all and sundry, it was very necessary to have at hand a skilled guide who could throw light on the intricacies of economic activities, on public finance, on free trade and protection, and on the foreign exchanges. Formal books on all these topics, to be sure, abound; what was required was one for the general reader—for the "man in the street"—written in the ordinary language of the market place. For such a task none was better qualified than Mr. Hartley Withers, the Bagehot of this generation; in this book Mr. Withers is at his best—not only as a guide but also as a counsellor. His was a timely book for the year 1931. He discourses pleasantly on the factors of production, on the part played by the speculator, on labour's share of the national income, the service of capital to the national life—and the reader cannot but follow, so attractive is the style, so reasonable the point of view. Mr. Withers, like a true guide, does not take sides; on controversial matters he is scrupulously fair. Therein lies his great appeal. In so far as he has a message, it is to plead for comprehension and tolerance—between social classes, between employer and employed, and between one country and another. His book is bound to attract readers for many a year to come.

Equality (The Halley Stewart Lectures, 1929), by R. H. Tawney (Allen & Unwin).—A student of the economic history of this country and a social philosopher of no mean order, Mr. Tawney sympathises with the "under-dog." In seven chapters he considers some of the inequalities in the social life of the nation, and pleads for their removal. Can anyone deny, he asks, in so many words, that the privilege of birth is still entrenched in modern capitalism? Or that the educational ladder is not as easy of access as it might be? Or that there is one law for the rich and another for the poor? Or that insecurity of work and the consequent uncertainty of being able to earn one's livelihood is bound to have an adverse effect on a man's outlook on life? Mr. Tawney pleads for the removal of inequalities such as these, pleads for what he terms "a common culture." He realises that men are not born equal in capacity, and he does not ask for equality of income. His request is for equality of opportunity, equality of personal consideration; in his own words, equality "of environment, of habits of life, of access to education and the means of civilisation, of security and independence, and of the social consideration which equality in these matters usually carries with it." Much of the prevailing inequalities which Mr. Tawney deplores are due, as he himself realises, to fundamental causes. "The injustices [of capitalism] survive," he writes, "not so much because the rich exploit the poor, as because the poor, in their hearts, admire the

rich." Both the poor and the rich will follow Mr. Tawney's reflections with profit, and if here and there his style is ironical, in the first place perhaps the objects of his scorn deserve the treatment he metes out to them; and in the second, irony adds to the attraction of a book dealing thoughtfully with a subject that needs to have light shed upon it, by a writer who possesses not only knowledge but a passionate sense of justice reminiscent of the old Hebrew prophets.

The Scientific Outlook, by Bertrand Russell (Allen & Unwin).—If this book had nothing else in it but the illuminating studies of Galileo, Newton, Darwin, and Pavlov—the first chapter, in fact—it would have been worth special attention. But there is, of course, much more—a consideration of the nature of scientific method, a study of the effects of science on religious beliefs, and an evaluation of the utility of applied science. Interesting as these problems are in themselves, Mr. Russell is concerned with them in the main because of their influence on the lives of men and women. Reading these pages, one is conscious of a brilliant mind illuminating the world around us—expressing views worth while on Bolshevik Russia, on the new nationalism, on the influence of the press, the cinema, and the wireless, above all, on education. Mr. Bertrand Russell is one of the recognised thinkers of our age; his opinion, though in the main he tends to scepticism, must command respect, not only because of his alert intelligence, but also because of the brilliant manner of presenting them. "Traditional religion was based upon a sense of man's impotence in the face of natural forces, whereas scientific technique induces a sense of the impotence of natural forces in face of man's intelligence."—"The scientific society will be just as oligarchic under socialism or communism as under capitalism."—"The advantages of advertisement have come to be realised pretty fully by politicians, but are only beginning to be realised by the churches."—Here are three examples of Mr. Russell's *obiter dicta*; like the whole of his book, they set the mind thinking. Therein lies its value, and as Mr. Russell is a thinker whose views cannot be overlooked, *The Scientific Outlook* received the attention it merited at the hands of those who desired to comprehend the spirit of the world around them.

David Hume, by J. Y. T. Greig (Jonathan Cape).—This is a very lively and provocative biography of one of the greatest minds of the eighteenth century. The last full-dress attempt to map his life dates from 1846, and our attitude towards his century has undergone a vast change. His mother regarded him as weak-minded, Paris idolised him, and his clash with Rousseau is one of the great incidents of disillusioned friendship. The volume gives vivid pictures of literary Scotland and England, and the salons of France. Across the pages flash the greatest names of the century, and Hume himself appears, partly shrewd, partly naive, bulky, philosophical, historical, and social. We see him as Charge d'Affaires in Paris, we see him acting in charades, we find him at a sermon by Sterne, or dining with fifteen atheists in company with Diderot. He boasts, not of his philosophy, but of his cooking, and Boswell speaks of eating "three sorts of ice-creams" at one of his suppers. By brilliant selection of anecdote and careful arrangement of quotations, Mr. Greig builds up an

exciting picture of the philosopher and historian, and whets our appetite for his promised edition of Hume's letters.

Dawn, by Theodore Dreiser (Constable), is the first of four volumes in which the author proposes to give us "A History of Myself." It is the record of his early years, of the time spent among his family. In these he seems to have been singularly fortunate, for his canvas is crowded with the widely-differing but always interesting figures of his nine brothers and sisters. His father, of German birth and a most uncompromising Roman Catholic, should, by virtue of his rigid views of life, be the outstanding character, but the dominant though not the domineering personality is Dreiser's mother, and in painting her portrait he has used every colour in his palette, the whole so irradiated by the overwhelming love between them that she shines out like an ancient Byzantine saint against a golden background. So human, so understanding is she, that even the most improbable and unpleasant occurrences take on a normal aspect in the fine light of her kindly common-sense and greatheartedness. It is but natural that the author's adolescent self should play the next important part in the whole. Dreiser here writes of himself as if he were one of his own characters in fiction, and the highest tribute we can pay him is that we yet throughout feel that in his projection he is keeping to the truth as it appears to him to-day down the avenue of the years. His sexual development and experiences, his doubts and lack of self-confidence, are all dealt with faithfully, both from the introspective point of view and in his relationship to the many men and women, youths and girls he came across. Strange to say, there is not the least hint anywhere that Dreiser was a budding writer; he is a great lover and observer of nature and of mankind, a temperate friend of books and learning, but poverty was too hard a taskmaster up to the last page to allow of more than bread-earning. Yet such is the author's skill that all his details vibrate with life, and thus fetter our interest from start to finish.

Bernard Shaw, by Frank Harris (Gollancz).—When two strong men come face to face, the battle is sure to be of interest to the onlooker, and this volume is more a battle than a biography. The interest is increased by that very fact, for the normal biography is a one-sided affair, unless the biographer, as in the fashion of recent times, is lying or distorting in order to draw attention to himself. Here we have two men of temper confronted in a game of hide and seek. Shaw seems to use every device to elude the assertions of his friends. He writes voluble and plausible letters which are masterpieces in the art of wriggling, but as the psychoanalyst is instructed as well by the fake dream as the real, we lose nothing except explicitness. The great biographer usually informs us equally about himself and his victim. Frank Harris was interested in struggle, in conflict, in clash of society and human beings, and he therefore insists on these factors in Shaw's life. As a confessed amorist he is interested in Shaw's sexual life, and the letters he elicited from Shaw on this point are among the most informing in their disguise of frankness. Shaw's struggles in literature, the theatre, politics and sociology, are all illuminated with shrewd insight and incisive wit. There must be vast mistakes and much

prejudices in the book, but it is more than likely that this volume will live longer in English literature than many formal and authorised biographies.

Joshua and Judges (The Foundations of Bible History), by Prof. John Garstang (Constable).—A generation or two ago the critical study of the Bible was mainly literary; in our own time it tends to be predominantly archaeological. Therein lies the great value of Prof. Garstang's book, which is an excellent example of the latest attempt at understanding the Bible. The Books of Joshua and Judges, apart from a few striking stories, are on the whole dull narratives. Prof. Garstang, by appealing to archaeology and drawing on a first-hand knowledge of Palestine, makes the past to live again. In the first place, he suggests a new chronology for the Joshua-Judges period, fitting it into the background of the history of ancient Egypt; and in the second, he considers the stages of the conquest of Canaan by the Israelites from the point of view of geography and excavations. Every city of importance mentioned in the Bible narrative is described, and an effort made to locate it. The seventy-three plates and nineteen maps are immensely helpful to the reader, who cannot but admire the business-like statements of the author, almost compelling conviction. The commentary on the Bible text is neither homiletical nor edifying; it deals with sober fact, and so establishes a new method of approach to an appreciation of the Bible.

FICTION.

The Waves, by Virginia Woolf (Hogarth Press).—This is Mrs. Woolf's most mature achievement along the special line she has been following. Each novel explores a new method, and in *The Waves* it is the poetical structure that provides the chief interest. Each section is preceded by a kind of prose poem describing the sun and the sea, packed with imagery whose function is not so much to build an impression as to date and time the wave which follows. Images are thrown into the reader's mind, to be linked up in the development of the characters. Six figures are presented in successive waves of soliloquy, in infancy, school-days, contact with the world and society, reunion, death, memory, middle age, middle-aged reunion, and an epilogue of explanation. In the course of the volume emerges as much or as little plot as in the more direct novel. The characters are interwoven, and though severally independent, are interdependent by force of recurrent images, both personal and shared. The subtlety of each character-painting lies in the delicate antennae with which the world is explored, while the individual grows, forms, solidifies, and is yet aware, by a dovetailing fiction, of similar growth on the part of the others. Structurally the pattern is of six dancers, each precisely concerned with his or her own sequence of steps, and a masterly choreography makes a ballet of the whole, and for one flash a strange dancer comes and goes, causing a sweet disturbance and leaving a memory in the pattern. It is the most poetical of all her novels, and the richest in shimmering delicacy and beauty.

Tobit Transplanted, by Stella Benson (Macmillan).—Miss Benson has

turned to an unusual inspiration for this unusual novel. While living in Manchuria she detected a resemblance between the exiled Jews of the Book of Tobit and the White Russians exiled in Manchuria, and this novel is a moving parallel to the Apocryphal book. She prints the text of Tobit at the end to enable the reader to follow the tale more closely. Every detail is included, interpreted, and expanded, and made modern without any apparent compulsion from the original story. The Malinins, who are Tobit and his family, their relatives the Ostapenkos, and Mr. Wilfred Chew, a Chinese student from the Middle Temple, who is the angel Raphael, provide an excuse for delicate and bubbling humour. Twenty pages of Apocryphal text become three hundred and forty of modern narrative, and the wanderings of Seryozha-Tobias, accompanied by Chew-Raphael towards Tanya-Sara, the wooing, and the final cure of Sergei-Tobit's blindness have the double charm of happy reminiscence of the original plan and the rich filling in of modern feeling, in its colour, its life, its humour, and its tenderness. It is Miss Benson's most lively and sparkling work, and has all her charm of bright ornament in description and her warm but penetrating treatment of human nature.

The Colonel's Daughter, by Richard Aldington (Chatto & Windus).—The problems of post-war country life in certain of its aspects have never been treated so clearly or with such inexorable fidelity as in this volume. The tragedy of frustration forced upon women of a certain social level is poignantly expressed, and so vivid is the presentation of the milieu, so unpalatable the conclusion the evidence forces upon the reader, that the easiest reaction is to remain blind and say this cannot be true. Whether anything can be done about it is another matter. The point must be made that the nasty taste left in the mouth after reading is not due to the author but the situation which is described. It is well to look meanness in the face rather than pretend it does not exist and shake one's head wisely after the tragedy has been discovered. Mr. Aldington has a sense of the English scene that may well serve as an antidote to much sentimental country description. Benevolence and forgiveness are not always the most timely of virtues, and Mr. Aldington does not mince matters. Where the blame lies, or where the cure is to be sought are not his concern, he presents the case, and with a wry mouth we thank him.

The Man who Died, by D. H. Lawrence (Martin Seeker).—This was Lawrence's swan song, the pure melody of his final confession. It takes for its starting-point the man who was crucified and taken down too soon, and so rose to life again purged of his desire to press salvation on the world. Shattered in body, filled with "the cold nullity of being dead," he takes refuge in a poor cottage and there returns slowly to health. He has a new sense of loneliness, and this makes him escape the demands of his old worshippers. "I want to take my single way in life, which is my portion. My public life is over, the life of my self-importance." He wanders in an agony of escape "for all, in a mad assertion of the ego, wanted to put a compulsion on him, and violate his intrinsic solitude." He has a new sense of desire, "Perhaps one evening I shall meet a woman who can lure my risen body, yet leave me my aloneness." He wanders to a distant

temple of Isis in the north, and there, fulfilling the function of Osiris, is one with the virgin priestess, he fills her with life, and finally escapes from those who would again betray him to the Romans. Its message, if it has one, is concerned with the impertinence of doing unto others what they do not wish to do unto themselves, with the inviolate sanctuary of the individual or of the prophet in his wilderness. The story is written with measured beauty, with the perfect simplicity of a fable or a holy book, and as a last melodious word from the tomb should make us feel a little ashamed for those who threw stones at the living Lawrence.

Sanctuary, by William Faulkner (Chatto & Windus).—Mr. Faulkner is now recognised as the greatest among the younger novelists of America. His technical virtuosity permits him to play tricks with time, with consciousness, with narrative form that are almost incredible in their firm persuasive power. His exploration in *The Sound and the Fury* of the ramifications of awareness in an idiot mind is one of the finest, if most difficult to absorb, of modern successful experiments. In *Sanctuary* he takes some of the materials of ordinary fiction, bootlegger, American gadabout life, rape, a brothel, and a trial, and juggles them into a wild phantasmagoria through which emerge from time to time glimpses of hard sculptured figures of madness, sinister sadistic impotence, frightened girlhood, fantastic lechery, corruption, and terror. It is a frightening book in the clarity with which the author deploys his servants, and it is either the work of a genius of an unapproachable individual kind, or it is a portent of new achievement in the realm of literary creation.

Men in Darkness, by James Hanley (John Lane).—The career of Mr. Hanley will be followed with deep interest. His first novel, *Drift*, attracted considerable attention by its vividness and deep personal feeling, and his later novel, *Boy*, is one of the grimmest of modern tragedies of cruelty and wanton fate. Mr. Hanley is gifted with a power of depiction of states of unrest, of suffering, and of hopelessness that would be merely cruel if every line did not hint at the sympathy and indignation which make him draw the attention of the world to the agonies of his hero-victims. This does not mean that he is a social reformer or propagandist. He is in violent contrast with Galsworthy, whose thesis is always manifest. There are five long stories in this volume, and each contains an irony of the nature of Greek tragedy, where a simple statement of the situation carries with it the unavoidable implications. The story of *John Muck* the street-sweeper with a burden of love, of the old derelict in *Rubbish* who was burned in a shed of refuse, the cruel treatment of futile *Greaser Anderson* are homilies all the more powerful for having no explicit text.

Unclay, by T. F. Powys (Chatto & Windus).—Allegory is so far removed from the taste of our times that it comes with a strange and beautiful gift on its rare visits. Mr. Powys has built an allegory of Death coming to the village of Dodder and gaining welcome and terror from the inhabitants of that world in little. The precision and limpid clarity of the style form a perfect vehicle for the strange happenings, and it is as though a clear light is poured over the inner processes of men. Mr. Powys has the power of creating a world of folk deeply rooted in the earth they live on, and

between the earth and their daily lives he places a layer of feeling that he alone can make conscious. There is an uncanny absence of turbulence in this product of a mind that is obviously always testing the turbulence of the world, a poise and a gravity that seem almost a pivot on which his world slowly and surely turns. No living writer deals more purely with the lusts of the flesh or the mind, and the steady assured progress of his fable produces a calm and a satisfaction rare in modern fiction, but rare though it be, it is of the very stuff of modernity.

Return I Dare Not, by Margaret Kennedy (Heinemann).—Margaret Kennedy likes to manipulate several figures at the same time, and in this book she has put together as many characters as a large house party can reasonably be expected to include for a week-end. For Hugo Pott the visit was to have been the climax of that success brought him by his versatile pen. It proved instead the closing of a door upon "all that" and the venture on a path where he may find again the true imagination which is escaping him and reach perchance at the end of it a love beyond his dreams. But it is not only Hugo who dares not return to the road which led him to Syranwood. The hopes which his fellow-guests brought with them vanish into smoke during their brief sojourn there. (The exception being Corny Cooke, who, possessing no life of his own outside other people's, has no place for his mind to escape from or return to.) Technically *Return I Dare Not* is very good work. There is not a dull scene in it, while the characters come and go inevitably and with a rapidity in keeping with the short time allowed for the action. But the book is something better than a piece of clever writing or an interesting study in characterisation, or even a humorous skit on modern life—though it is all these things too. Through the clear vision of Marianne, that charming representative of the present generation, the author gives us something which goes deeper than laughter at a passing phase in the world's story—a criticism of life itself.

Aphrodite in Aulis, by George Moore (Heinemann).—This book is definitely pastoral in quality, and the conscious aesthetic colouring comes from the meticulousness of style rather than from the subject-matter. It tells the story of Kebren, who, disillusioned in his life as a tragic actor, comes to Aulis at the bidding of the god to restore there the worship of the divine Helen. Here he falls in with a rich shipping merchant, Otanes, whose daughter Biote he marries. The divine Destiny pursues him still, for his marriage is unhappy, and only through the sons born to him his delayed destiny is fulfilled. Bhesos and Thrasillos, his sons, are born into the world of Greece when the Parthenon was rising under the genius of Phidias. The one becomes a sculptor and the other an architect. They too seem to seek for inspiration in vain until oracular guidance bids them seek it in the romantic gloom of a forest. Vainly they wait and search until one day two maidens swimming the Euripos in search of judges of their beauty submit themselves to the arbitrament of the two youths. In Earine, one of the maidens, Bhesos finds the subject of his statue, and eventually his wife. The work finished, he submits it to his master Phidias, but despite the master's criticism he leaves his work unaltered,

so strong is his desire to express himself freely and allow his work to be his judge. Severe in its simplicity, the theme is enriched with a wealth of authentic detail, archaeologically irreproachable, details which never overcrowd the canvas. The affairs of everyday life enthrall him still, and the same mind which pictured the life of Esther Waters continues to be with us. The note is always austere, but with controlled enthusiasm which gave to *Brook Kerith* its dignity and balanced beauty. Never does the classic setting permit him to fall into a sentimental mood, or to draw a distorted picture of Periclean Greece. The book has the quality of fine painting, and at once calls for comparison with the work of Poussin, where classical themes never allow for false valuations of canvases meritorious because of their balance and restraint which binds rich colour together in a harmonious whole. Mr. Moore's book possesses the same aesthetic quality—a control which reveals the essential Apollonian character of a mind faced with a subject lending itself to easy but dangerous rhapsody.

A Pig in a Poke, by Rhys Davies (Joiner & Steele).—In some ways the mantle of D. H. Lawrence has fallen upon Rhys Davies. In this volume of fifteen admirable short stories, the author's concern is not with facts and plots, but with the interstices of the human soul, the inexplicable and intangible contacts of human beings. The mood of a society, of a social level, of a family group, of an individual are all powerfully presented in these tales drawn from a Welsh mining area. The glimpse of a naked lady which transforms a strident home, the accident of death which throws a searchlight on family meanness, the evil mastery of a worthless woman in a sordid home, the cow that came to chapel, the incomprehensible refusal of passion by one woman, and of convention by another, the hysteria of village revivalism, all give opportunity to display the subtler relations of man to man, and man to woman. Best of all is the tense masterpiece *The New Garment*, in which death, a cemetery, a lusting man and a fascinated maid are all woven into a lovely and inexorable pattern.

Charlotte's Row, by H. E. Bates (Jonathan Cape).—Mr. Bates has gained a reputation as a writer of novels and short stories in which the sensitive prose has made a pictorial accompaniment to a delicate sense of character and scene. In this volume he attempts a more sordid milieu, a slum street, full of anger and drink and sadness, and the result is of special interest. Mr. Bates is a colourist, and his achievement here, perhaps despite a grimmer intention, is of a shimmering jewel-powdered pastel which obliterates the sordidness in the subject. He has the power of lifting a narrative into a glow in which the incidents and the objects are suspended, and yet the narrative goes on to character. These characters, the pathetic sensitive boy who lives with his grandmother until one night she dies in her sleep, the drunken cobbler and his family, a strange girl in love, dance lightly into a structure whose beauty transcends the grosser implications which make up the drab street, Charlotte's Row.

ART, DRAMA, CINEMA, AND MUSIC.

I. ART.

THE Flemish, Dutch, and Italian exhibitions at Burlington House, which were the principal features of the London art seasons of 1928, 1929, and 1930, had a worthy successor in the Persian exhibition held at the same place in January and February, 1931. The Persian exhibition, which occupied all the Royal Academy's galleries, contained contributions from the museums and collectors of Persia and Egypt, and from those of every country in Europe as well as of the United States. That the exhibition would be an artistic success no one doubted, but its most ardent supporters must have been surprised at its popularity, for it attracted more visitors than did the famous Flemish and Dutch collections of 1928 and 1929. Two hundred and fifty-nine thousand persons passed through the turnstiles during the eight weeks the exhibition remained open. Persian art, in the shape of paintings, miniatures, and illuminated manuscripts; goldsmiths' and jewellers' work; pottery; and exquisite woven and embroidered fabrics, adorned the galleries, the walls of which were hung with carpets, some of great age and fabulous value, and all beautiful in colour and design.

At the end of March all the paintings, sculptures, designs, and drawings submitted by outsiders for the summer exhibition of the Royal Academy, which were received at Burlington House, numbered altogether 10,902, but only two of them were unconditionally accepted. Of the others 2,497 were marked as doubtful, which meant that they still had chances of exhibition; and the remainder, 8,403 in number, were rejected altogether. The committee which judged all these works was composed of the President (Sir William Llewellyn), Sir W. Goscombe John, Mr. Kelly, Mr. Lee, Mr. Munnings, Mr. Augustus John, Mr. Russell, Sir G. G. Scott, Mr. Rushbury, Mr. Dodd, Mr. Turner, and Sir E. Cooper. The oil paintings in the exhibition were arranged by Mr. Kelly, Mr. Munnings, Mr. Dodd, Mr. Russell, and Mr. Lee; the works in the architectural room by Sir G. G. Scott; the sculpture by Sir William Goscombe John; and the water-colours and drawings by Mr. Rushbury and Mr. Dodd.

Five works were purchased for the Chantrey collection, only one of which was newly exhibited, "The Birth of Venus," a three-quarter figure in Portland stone, by Mr. William McMillan. The price of this was 1,000l. The other Chantrey purchases were: "Spring Days," by Mr. Henry Tonks (800l.); "The Green Dress" (525l.), and "Old Battersea

Bridge " (150l.), by Walter Greaves ; and " St. Paul's " (25l.) by Mr. Henry Rushbury.

Considering the state of trade the sales at the Royal Academy were fairly good. Those to which no prices were affixed included " The Estuary-gathering Clouds," by Mr. Arnesby Brown; " Soft the Sunlight in Derby Dale," by Sir David Murray ; " In My Garden," by Mr. Joseph Farquharson; and " Jane XXXI," by Mr. Gerald Kelly. The priced works sold included " On the Moors " (1,000l.), and " The Paddock, Epsom " (500l.), by Mr. Alfred J. Munnings ; " Artemis and Chione " (600l.), " Ladies and Gipsies" (350l.), and " The Dancer, Consuelito Oarmona " (250l.), by Mr. Russell Flint; " East Anglia " (525l.), and " Early Spring in the Wye Valley " (525l.), by Mr. Bertram Priestman; " Seen in the Mirror " (250l.), and " Girl Combing her Hair " (120l.), by Mr. Harold Knight; " A Road Above the Valley " (125l.), by Sir H. Hughes Stanton ; " Cupid's Mirror " (150l.), by Mr. W. G. de Glehn ; " The Hostess of the White Horse " (350l.), by Mr. L. Campbell Taylor ; " Cows in the Rickyard " (420l.), by Mr. James Bateman; " Amiens " (100l.), by Mr. Terrick Williams : " Nancledra, Old Cornish Village " (160l.), and " Spring Evening, the Deveron, Rothiemay, Aberdeenshire " (350l.), by Mr. S. J. Lamorna Birch; " Delphiniums by the Lake " (250l.), by Mr. Melton Fisher ; " The Convex Mirror " (100l.), by Mr. John Collier ; " The Landlord of the Chequers " (75l.), by Mr. J. Kynnersley Kirby; " The Ancient Borough of Penryn " (105l.), and " Live Stock " (105l.), by Mr. Stanhope A. Forbes ; " Composition in Pink and Green " (200l.), and " Jane Posing" (200l.), by Cathleen Mann (Marchioness of Queensbury); " Autumn by the River " (200l.), by Mr. R. G. Brundrit; " A Blonde Woman " (175l.), by Mrs. Dod Procter ; " The Footstep " (175l.), by Mr. T. C. Gotch ; " Chateau Gaillard " (157l. 10s.), by Mr. Alfred Hayward ; " Loch Grogach " (126l.), by Mr. Osmund Pittman; " Through the Goblin Wood " (150l.), by Mr. Noel L. Nisbet; " The Maiden " (236l. 5s.), by Dame Laura Knight; " A Victorian Richmond Hill " (105l.), by Mr. William T. Wood; and " Artemis—statuette, carved wood " (100l.), by Mr. Alec Miller.

The general unrest, political and financial, affected adversely the business in the saleroom, and few fine pictures or other works of art came under the hammer. At Christie's the principal event was the sale, in May, of the famous " Howard Grace Cup," also known as the " Thomas a Becket Cup," because of a tradition that connects it with the martyr Archbishop. The cup, of ivory and silver-gilt, about a foot in height and studded with jewels, was sold by order of the Duke of Norfolk, to whom it had descended by inheritance, and it was hoped that it would find its way into one of the national collections. At the sale the last bid was 11,000l., made on behalf of Lord Wakefield, who, it was announced, had purchased it for presentation to the Victoria and Albert Museum. The highest price given for a painting was 6,825l. for a portrait of Richard Meyler, M.P., painted when he was a young boy and wearing, according to the custom of that day, a frock resembling that of a girl. An uncommonly fine three-quarter length by Hogarth, " Miss Anne Wolstenholme when a child," realised

2,257l.10s.; a portrait of the Hon. John Tufton, by Sir Joshua Eynolds, 1,995l.; two by Raeburn, of Mrs. John Phillips of Glasgow, and of Mr. Robert Cathcart, 1,575l. and 1,260l. respectively; and Romney's "Lady Wilhelmina Emilia Kerr," 4,620l.

At Sotheby's a very interesting sale was that of the Pepys collection of pictures, plate, manuscripts and books connected with the great Diarist and his family. Among these treasures was the half-length of Pepys himself, painted by Sir Godfrey Kneller, for which 1,750l. was bid. To Sotheby's also Lord Harewood sent his famous Italian renaissance pendant, known as "The Canning Jewel" and supposed to be the work of that master craftsman, Benvenuto Cellini. There was only one bid—for 10,000l.—for "The Canning Jewel," for which price it was sold.

In 1931, as in 1930, notable exhibitions were held of paintings by eighteenth-century masters. Sir Philip Sassoon, whose famous exhibition of "conversation pieces," held in 1930 at his house in Park Lane, added thousands of pounds to the funds of the Royal Northern Hospital, again benefited that useful institution by showing a remarkable loan collection of pictures, furniture, and objects of art illustrating the period of "The Four Georges." The pictures in Sir Philip's second exhibition were fewer than those in the first, but their general quality was finer. They included, by chance, the earliest known portrait of Gainsborough, one of himself, painted in 1746, when he was a youth of nineteen; and the last, of his nephew/painted in 1788, during the great artist's fatal illness. There were, besides, notable portraits by Sir Joshua, Romney, Lawrence, Raeburn, Hoppner, and Cotes; and two superb Canalettos, one of the Thames from Richmond House, and the other of Whitehall. The Canalettos, lent by the Duke of Richmond, were painted for an ancestor, the second Duke, soon after the Italian artist arrived in England in 1745.

The second exhibition of pictures of the same period was held by Messrs. M. Knoedler & Co., in their galleries in Old Bond Street, in aid of the Cheyne Hospital for Children. Messrs. Knoedler's collection was composed of portraits of children—eighteenth century—and included several masterpieces. One of these was Romney's famous group, "The Leveson-Gower Children," and another, Lawrence's "Master Lambton," known everywhere as "The Red Boy." A third was Gainsborough's "Cottage Girl with Dog and Pitcher," which had not been shown publicly for more than thirty years, and therefore was new to most of the visitors to the exhibition. Some critics have ranked this picture as finer than the better known "Blue Boy."

An interesting discovery concerning a work by Gainsborough was made in the spring when one of his landscapes, shown by Messrs. Tooth at an exhibition held in their gallery in New Bond Street, was identified as the long missing picture painted for the Prince of Wales in 1784, and presented by him to Mrs. Fitzherbert. It was the only landscape included by Gainsborough in the first of his private exhibitions held after his quarrel with the Royal Academy. Messrs. Agnew held an interesting exhibition of water-colours early in the year, when drawings by Girtin and Turner, two of the earlier masters of that medium, were hung in close proximity

to a collection of those painted by members of the advanced modern school. The autumn exhibition of oil paintings, held at the same gallery, was also composed of modern work, for the first time for many years.

The catalogue of the memorial exhibition of paintings by the late H. H. La Thangue, R.A., held at the rooms of the Fine Art Society, was prefaced by a sympathetic sketch of the career of the artist, written by his old friend, Sir George Clausen. A preface, very brief but extremely appreciative, was contributed by Mr. Bernard Shaw to the catalogue of the Rodin exhibition, held at the Leicester Gallery; where, during the season, collections of work were shown by two other sculptors, Mr. Jacob Epstein and Mr. Henry Moore. Other exhibitions at the Leicester Gallery were of drawings by the late Sir William Orpen; paintings of London by Mr. Algernon Newton; landscapes and figures by Mr. Henry Lamb; "British Echoes," by Mr. Walter Sickert; and drawings and prints by Steinlen. Portraits and drawings by Mr. Philip Steegmann were shown at the Claridge Gallery, and portrait busts of men of letters by Mr. J. Davidson at Messrs. Knoedler's. Other exhibitions of the year were of pictures by the late Mrs. Evelyn Cheston, in the gallery of the Royal Society of Painters in Water-Colours; of sporting prints and of drawings of Spanish scenery by Mr. Muirhead Bone, at Messrs. Colnaghi's; and of the work of Sir William Rothenstein at the Goupil Gallery.

At the National Gallery the most important event was an interesting exhibition of more than seventy oil paintings of Turner's earlier period, held at Millbank from July to September. New pictures shown at Trafalgar Square included a Terburg, "Portrait of a Lady," bequeathed by Sir Otto Beit; a still-life painting, "Pewter, China, and Glass," by the Dutchman, J. J. Treck; and "Judith and Holofernes," by Giovanni Liss, the gift of Mr. J. W. Dollar. By the will of Mr. H. Velten, the National Gallery was empowered to select any of his pictures for its collection. The Gallery will also benefit by Mr. Velten's bequest of more than 20,000*l.* to the National Art-Collections Fund.

II. THE DRAMA.

With the growth in the number of London theatres, reaching a total of nearly fifty, and the almost continuous dearth of attractive plays, the difficulties of theatre managers were certainly not lessened in 1931. Industrial conditions generally, moreover, rendered more perilous even than usual the risks undertaken by those who provide the public with entertainment. In these circumstances it was hardly to be wondered at that the crop of productions that failed should have been heavier than usual, and that many managers preferred to cut losses rather than run the risk of prolonging the life of plays in the hope eventually of establishing them in favour.

In illustration of these adverse conditions, the most memorable theatrical success was not recorded until as late in the year as October 13, when Charles B. Cochran produced at Drury Lane Noel Coward's "Cavalcade," a play which immediately made a deep impression on **the**

public. Yet, curiously enough, the piece owed what undoubtedly was its strong power of appeal less to any intrinsic dramatic merits than to its effectiveness as an eloquent plea for national pride and patriotism at a critical period in the life of the nation. As such Mr. Coward's work bore so clearly the impress of sincerity as to blind many who were stirred by it to the fact that, dramatically, it amounted to hardly more than a panorama of historical events in this country ranging from the late years of Queen Victoria down to the present day. As stage pictures, and in all the details of production, the various episodes were superbly presented.

After "Cavalcade"—though chronologically some time before it—the outstanding success of 1931 was achieved by a woman dramatist, writing under the name of C. L. Anthony, with a play—her first—entitled "Autumn Crocus" (Lyric, April 6). This play probably owed its popularity more to the somewhat unusual charm of its atmosphere—the scene being laid in the Tyrol—and its ultra-sentimentality than to any exceptional dramatic qualities. But the comedy scenes were very pleasantly and naturally written, while the extremely sympathetic and skilful acting of Fay Compton and Francis Lederer undoubtedly contributed to the play's success. Another play which was among the very few that obtained anything like a good run was also written by a woman—Sophie Treadwell's "The Life Machine," first produced experimentally at the Arts Theatre Club (July 15). In this play the author adopted the expressionist method to unfold a somewhat depressing (and none too convincing) story of a girl who murders her husband for reasons prompted rather by temperament than any tangible motive. Unfortunately, in the list of women playwrights who courted success in vain must be included G. B. Stern, whose play, "The Man who Pays the Piper" (St. Martin's, February 10), only held the stage for five nights.

Among authors of established reputation some fared better at the hands of critics and the public than others. Somerset Maugham secured a success at the Playhouse (September 19) with "The Painted Veil," though the play—which gave Gladys Cooper an important emotional part—could hardly be said to show him at his best, any more than did the novel upon which it was founded. Edgar Wallace fared both well and indifferently. "The Old Man" (Wyndham's, May 15) was not really a good specimen of the type of play in which he specialises. On the other hand, "The Case of the Frightened Lady," successfully launched at the same theatre on August 18, afforded a typical example both of his ingenuity, "slickness" in dialogue, and flair for the theatrically effective. J. Hastings Turner, who has earned by now the right to be numbered among authors of established prestige, gave us in "To Account Rendered" (New, January 23) a strong and interesting play, which unfortunately lapsed into melodrama after promising, as it seemed, to deal seriously with the problems of real people. Another play that may have suffered to some extent from inconsistencies of style was Ronald Jeans's "Lean Harvest" (St. Martin's, May 7). Nevertheless this play, which in not a few scenes showed freshness and a certain imaginativeness in the treatment of a commonplace theme, certainly deserved a longer life than it

obtained, particularly as it afforded excellent acting opportunities, of which full advantage was taken, among others, by Leslie Banks and Diana Wynyard. Later in the year Mr. Jeans was represented in a frankly light and trivial vein by "Can the Leopard . . . ?" (Haymarket, December 15), a very slight comedy reminiscent in its theme of "Dolly Reforming Herself."

Of the older generation of dramatists besides Maugham and Wallace the only one who contributed to the year's output of plays was Edward Knoblock, who, however, was only concerned with adaptations. In collaboration with J. B. Priestley he produced a skilful and effective version of the latter's highly successful novel "The Good Companions" (His Majesty's, May 14), in which what might be called the "broad highway" atmosphere of the book was well preserved. This play achieved considerably more success than the dramatisation of Vicky Baum's "Grand Hotel" (Adelphi, September 3), in which Mr. Knoblock collaborated with the author of that remarkably clever "best seller."

A feature of the theatrical year more gratifying than many others was the high promise shown—and in one or two cases, moreover, the success achieved—by unknown or little-known authors. Among them, pride of place should be given to James Bridie, with whose uncommonly interesting play, "The Anatomist," the new Westminster Theatre was opened on October 7. Basing his story on the notorious Burke and Hare murders, he contrived to turn to effective account a gruesome subject which, in the hands of many playwrights, might very easily have been treated as mere lurid melodrama. In this play Henry Ainley gave a brilliantly composed study of Robert Knox, the famous Edinburgh anatomist. Although meeting only with partial success, another play that deserves mention as the work of a distinguished representative of the younger generation was Aldous Huxley's "The World of Light" (Royalty, March 30). Without showing bias one way or the other Mr. Huxley in this (his first full-scale) play dealt with the subject of spiritualism, but it was rather by reason of a certain quality of distinction, more especially in the writing, that his piece stood out from the ordinary run. In "Three Flats," which they produced on February 16, the Stage Society gave us a play by Malcolm Muggeridge which revealed skill and sincerity, as well as insight into human character that promised well for the career of an author who has yet to become known to the general public. Other plays that in greater or lesser degree held tokens of talent above the common were "Who Goes Next ?" (Arts Theatre Club, February 4), by Reginald Simpson and J. W. Drawbell; "Happy and Glorious" (Little, February 21), a play with only two characters, by Wilfred Walton; and "Musical Chairs" (Arts, November 15), by Rowland Mackenzie, whose work certainly showed quality. In this list, though it was not a first play, must be included Mordaunt Shairp's "The Crime at Blossoms" (Embassy, April 21), in which the author brought the shafts of scathing satire to bear on people suffering from a "morbid" complex.

Two other plays that stood out from the ordinary level were the work of Clifford Bax. The first of them, "The Venetian" (Little, February 25),

derived peculiar charm from its simple, yet beautiful, sixteenth-century setting, and no feeling of incongruity was created by the fact that the play was written in more or less colloquial English, free from any artificiality. Although hardly up to the same high standard, Mr. Bax's other play, "The Immortal Lady," staged by Leon M. Lion at the Royalty on October 9, was well worth seeing, if only for the fine acting in it of Jean Forbes-Robertson. The list of plays on the more serious side may be completed with a reference to "Elizabeth of England" (Cambridge, September 30). This was an adaptation by Ashley Dukes from a play of foreign origin and was found impressive in some scenes, as also in the dramatic contrast presented between Elizabeth's sanity and Philip of Spain's fanaticism. The two chief parts were finely handled by Phyllis Nielson-Terry and Matheson Lang.

Turning to productions of a lighter type, precedence may be given to J. B. Fagan's "The Improper Duchess" (Globe, January 22), a cynically amusing comedy that probably owed its long career in large measure to the delightful acting of Yvonne Arnaud. Two plays stood to the credit of John van Druten. "London Wall" (Duke of York's, May 1) will not perhaps rank among his happiest achievements, but the play, in common with others from his pen, was notable for the naturalness of the characters and its atmosphere of quiet realism. Of much lighter texture was "There's Always Juliet" (Apollo, October 12), a comedy so gossamer as to amount really to nothing more than a medium for some charmingly natural love-making as the protagonists by Edna Best and Herbert Marshall. Ian Hay won only a moderate success with "Mr. Faint-Heart" (Shaftesbury, April 20), a more favourable welcome being accorded at the same theatre (August 10) to "The Midshipmaid," in which he collaborated with Stephen King-Hall. A well-inspired play in an agreeably light vein was Gilbert Wakefield's "Counsel's Opinion" (Strand, August 26), a piece most dexterously acted by, among others, Owen Nares, Allan Aynesworth, and Isabel Jeans. Neil Grant, among the younger generation of playwrights, repeated the success he achieved with "Petticoat Influence" in "The Nelson Touch" (Embassy, September 1), a comedy marked by entertaining satire.

In "Marry at Leisure" (Haymarket, June 4) Frank Vosper did not quite succeed in living up to the high promise shown in one or two of his previous plays. Nevertheless, the piece was brightly written and provided pleasant light entertainment, with Marie Tempest as its mainstay in a part that fitted her admirably. To an American author, Robert Sherwood, playgoers were indebted for one of the best of the year's lighter plays. This was "The Queen's Husband" (Ambassadors, October 6), a comedy in a Ruritanian setting as the background of a theme not unlike that of "The Apple Cart." Besides being written with admirable skill and point, the play had the advantage of enabling Barry Jones, an English actor previously unknown to fame, to achieve a well-deserved success in the leading part. Considerable promise was revealed by a young author, Lionel Hale, in a freshly-conceived play called "Passing Through Lorraine" (**Arts Theatre Club**, November 25), in which the central figure

was a pretended Joan of Arc returned to life. In the category of light comedies should also be included Theodora Wilson's "Champion North" (Royalty, November 27), of which the sentiment, albeit naive, was made welcome by the finely polished acting of Horace Hodges as a nonagenarian. So, too, with "Britannia of Billingsgate" (Embassy, November 10), by Christine Jope-Slade and Sewell Stokes, a superficial comedy which found its chief asset in the acting of Mary Jerrold. Perhaps even more superficial was Arthur Macrae's "Flat to Let" (Criterion, December 1), though deserving of mention as the work of a promising young author with a decided aptitude for amusing dialogue. A more or less typical Walter Hackett play was "The Great Adventure" (Whitehall, December 23), in which the author introduced an element of fantasy in a manner somewhat reminiscent of his "Ambrose Applejohn's Adventure." Seymour Hicks gave an excellent performance in the chief part.

Among so-called thrillers and the like produced during the year must be mentioned "The Limping Man" (Royalty, January 19), a well-made specimen of its kind by Will Scott, and Michael Barringer's "Inquest" (Windmill, June 22). This play, of which the action took place in a coroner's court, had the merit, rare in pieces of a similar type, of being well written and having "live" characters. "Late Night Final," by Louis Weitzenkorn (Phoenix, June 25), was an American drama which achieved some success on crude and violent lines suggestive of many film plays.

A production of "Hamlet" (Haymarket, March 3), with a star cast headed by Godfrey Tearle, was a notable feature of the theatrical calendar, as was also the opening, on January 6, of the reconstructed Sadler's Wells Theatre with a revival of "Twelfth Night," by the Old Vic. Shakespeare company. An unusually interesting musical production was that at the Lyric, Hammersmith, on January 16, of "Tantivy Towers," the brilliantly witty book of which was written by A. P. Herbert and the music composed by Thomas F. Dunhill.

III. THE CINEMA.

Building was one of the chief activities of the film trade during 1931. New cinemas were opened at the rate of two a week, older establishments were enlarged, improved, and equipped with recording machinery. There remained only 680 silent houses in England.

There was a similar activity in the studios. At Shepherd's Bush, the Gaumont British Corporation completed one of the largest sound stages in Europe, furnished with all the latest technical improvements. At Beaconsfield, British Lion started work on extensions which will add an acre of studio to their existing buildings. At the Associated Radio Pictures, Ealing, a new studio to join the existing one is being erected at the cost of 75,000. At Wembley, for Associated Sound Films a new studio and an additional laboratory were built. At the close of the year British International Pictures suspended production at Elstree while they had

a thorough overhaul of their machinery and a spring cleaning on a large scale. At Twickenham Studios, at the Gainsborough Studios, Islington, and at the British and Dominion Studios, Elstree, likewise the year saw building activity.

In September the Warner Brothers took over the Teddington Studios for making pictures which will both fulfil the quota requirements and also appeal to the American public. With this in view their star, George Arliss, is expected over to work this side, while British Paramount, at Elstree, will make a quota picture with Clive Brook. The Quota Act is working smoothly and has proved the commercial saviour of the British film. Artistically the result still leaves much to be desired, but the general standard is gradually improving.

Alfred Hitchcock once more gave us the picture of the year in "The Skin Game," which had the advantage of the dialogue and the characterisation of the John Galsworthy play, which the author would not allow to be in any way altered. Hitchcock's second picture, "Rich and Strange," was disappointing.

Victor Saville enhanced his reputation with three good pictures: "Hindle Wakes" from the Stanley Houghton classic; "Michael and Mary" from the A. A. Milne play; and "Sunshine Susie," a quick and skilful adaptation of the new Continental technique of musical comedy.

A conscientious if not very inspired piece of production work was the "Dreyfus" of Milton Rosmer. Unlike the average American historical feature, the story was told with accuracy and without any sentimental twist. Cedric Hardwicke gave a good performance as the hero of this amazing miscarriage of justice.

It was a hopeful sign that British producers began to look for stories arising out of the lives of the people of the country. "Hindle Wakes" did for Lancashire and Blackpool what "Sally in our Alley" did for Thames-side. The latter marked the successful "talkie" debut of Gracie Fields under the able direction of Basil Dean.

Miss Fields was only one of many stage recruits who firmly established themselves in film favour during the year. Edna Best and Herbert Marshall proved ideal exponents of young married love, Owen Nares showed a screen gift for light comedy, Jack Hulbert and Stanley Lupino supplied the broad humours, Bobbie Howes brought a touch of whimsicality, and the Aldwych team headed by Ralph Lynn and Tom Walls proved as popular with cinema as with theatre audiences.

There were not many acting successes among those recruited direct from the studios. Young people come and go on the British screen, but unless they have already a stage reputation, few of them are retained long enough to be nursed into public favour. At the close of 1931 the most hopeful candidates for stardom were Belle Chrystall, Elizabeth Allen, and Molly Lamont.

The interchange of stars with America slowed down, but in December Adolph Menjou was brought over at a large salary to play with Margaret Bannerman in "Two White Arms."

On the whole America was marking time during a year of considerable

financial panic. No big new technical advance took place. The "Wide Screen" invention, though perfected, was not offered to the public by the big producing concerns, seeing that it would involve the studios in huge expenditure.

In February, after three years of waiting, we were at last allowed to see Charlie Chaplin's "City Lights." Mr. Chaplin came to England for the event, and on the opening night, despite the pouring rain, thousands waited outside the Dominion Theatre to see the star in person. The picture, though good, was not up to the best of the Chaplin offerings. It was silent, but an effective satiric use was made of the musical accompaniment. Mr. Chaplin spent the rest of the year in Europe.

The tendency of the dramatic American pictures of the year was away from romance in favour of brutal realism presented at breathless speed.

The best example of the new technique was the newspaper drama, "Front Page," directed by Lewis Milestone. This was followed by a series of startling gangster pictures, such as "Little Caesar," "Quick Millions," "Smart Money," and "City Streets." The theme was no longer the peddling of bootleg liquor, but the story of the wholesale blackmail which the rival gangs practise on the peaceful trading community of America. The camera is given an Olympian attitude, making a record without comment. Most of the stories ended if not with the triumph of virtue (for virtue has no representative in such tales), at least with the downfall of vice. There was, however, no attempt to extract sympathy for either side.

The "great outdoors" was represented most elaborately in "Cimarron," which starred Richard Dix in a fine dramatisation of the opening up of Oklahoma, and "Trader Horn," a picture of wild life in Africa, was not improved by the introduction of a Hollywood love theme.

Ernst Lubitsch made two highly successful musical pictures: "The Smiling Lieutenant" with Maurice Chevalier, and "Monte Carlo" with Jack Buchanan.

Pictures of child-life proved very popular, and a seven-year-old called Jackie Cooper acquired the position once held by Jackie Coogan. In "Skippy," "Tom Sawyer," and "Huckleberry Finn" he was supported by other children, but in "Donovan's Kid" and "The Champ" he showed his mettle against established screen stars.

Mary Pickford chose "Kiki" as her 1931 offering. The attempt at sophistication was not a success.

The more intelligent cinegoers were catered for by two stage successes transferred almost without alteration to the screen—"The Guardsman" by Molnar, and "The Royal Family of Broadway," a skit on the Barrymores, by Zoe Atkins.

There were no great personal successes during the year, though the general level of acting improved. The increase in the number of stage stars brought to the screen by the "talkies" is gradually weeding out those silent stars who merely relied on their good looks. Ina Claire, a Broadway favourite, proved a welcome acquisition, and the men who showed a consistently high level of accomplishment were Edward G. Robinson, Walter Huston, and Frederic March, all stage recruits.

French studios were unusually active and found new markets in Belgium, Switzerland, Tunis, Algiers, Tangiers, and Egypt, where the American film is no longer intelligible now that it talks. Over eighty productions were completed in Paris during the year.

The most important contribution was made by Rene Clair who, in "Sous les Toits de Paris" and "Le Million," showed how music could be introduced without swamping a picture. To avoid the clash of the realistic element in photography and the artificial conventions of musical comedy he set his people in a world of fantasy. He solved a big problem and now has imitators in every studio in Europe and America.

Germany did not do such outstanding work as usual, but "Congress Dances" proved a delightful costume comedy of 1815 and established Lilian Harvey as a popular favourite. Lil Dagover left Germany under contract to Hollywood.

Death robbed the screen of Lya de Putti, best remembered for her performance in "Variety," and Tyrone Power, veteran character actor.

The new entertainment tax which included in its scope the cheapest seats, pressed heavily on the smaller cinemas. In industrial areas the exhibitors in many cases met the tax themselves, since the alternative was playing to empty houses.

IV. MUSIC.

Notwithstanding many adverse factors, considerable activity of one kind and another prevailed in the world of music in 1931. Indeed, of opera, orchestral concerts, chamber music, recitals, and other forms of enterprise music-lovers in London had, if anything, more than their accustomed share, though it cannot be said that they made full use of their opportunities.

Events in the domain of opera must claim precedence of the rest, although they filled only a small place in the long list of musical ventures. There was the customary international season at Oovent Garden, which, in view of doubts regarding the future, may prove to have been the last—for a time, at any rate—to be given in that historic building. These doubts, it may be mentioned, were occasioned both by financial considerations and uncertainty as to the renewal of the Covent Garden lease. According to usage, the earlier part of the season was given over to German opera, mostly Wagnerian. The opening night, however, was devoted to Strauss's "Der Rosenkavalier." Thereafter came the usual cycles of "The Ring," with Bruno Walter as conductor-in-chief. The interpretations of the Wagner music-dramas were mostly in the hands of distinguished German (and other) singers who had appeared in previous years, such as Frida Leider, Lotte Lehmann, Elisabeth Schumann, Olczewska, Lauritz Melchior, Fritz Wolff, Friedrich Schorr, Otto Helgers, Ivar Andresen, and Habicht. Among newcomers should be mentioned Juliette Lippe (whose Brtinnhilde, however, was impressive rather for the artist's physique than for her singing), and Gotthelf Pistor, who made a decidedly pleasant, if hardly memorable, impression on his debut as Tristan. A revival—the first during a "grand" season for a generation—of Mozart's "Magic Flute" was a noteworthy feature. The opera was seen in a new setting, designed

by a Czech painter, Josef Strnad, which was remarkable both for originality and beauty of conception.

For the season of Italian opera the usual repertory was largely drawn upon. On the modern side it included Puccini's "Turandot," while in addition to the better-known Verdi operas there was a revival of his early work, "La Forza del Destino," which, curiously enough, had never before been sung at Covent Garden. Rosa Ponselle was the prima donna in this opera, the performance of which was particularly notable as marking the return to London, after many years, of that fine conductor, Tullio Serafin. Not the least memorable experience of the Italian season was Stabile's superb performance in Verdi's "Falstaff"—an experience, indeed, far more memorable than the production of Romano Romani's "Fedra," a sixteen-year-old opera so uninspired as to make most of those who heard it wonder why it had been thought worth while to rescue it from well-merited obscurity.

An exceptionally notable enterprise, of which Sir Thomas Beecham was the chief organiser, was a season of Russian opera and ballet at the Lyceum Theatre, opening on May 18. A highly interesting and varied repertory embraced Dargomizsky's fairy opera, "Rousalka," which, though dating from 1856, had never been staged in this country, Rimsky-Korsakov's "The Tsar's Bride"—also a work previously unknown here—and his "Sadko," Moussorgsky's "Boris Godounov" (with the mighty Chaliapin singing the role in which he first appeared in London in 1913), Glinka's "Russian and Ludmilla," and Borodin's "Prince Igor." These (and other) productions were all rendered striking by the barbaric magnificence of their exotic settings. Among the ballets performed during the season were Stravinsky's "Petrouchka," Prokofiev's "Chout," and De Falla's "El Amor Brujo."

On the conclusion of the international season Covent Garden Theatre was given over for a fortnight, beginning on July 6, to an unusual venture, which brought to London an artist for many years famous in Paris, chiefly as the producer of ballets, in the person of Madame Ida Rubinstein. It was interesting to have the opportunity of witnessing "Le Martyre de Saint Sebastien," the modern mystery play written for Madame Rubinstein in 1911 by Gabriele d'Annunzio, notwithstanding that the work proved in performance to be the reverse of stimulating. Nor was it helped very much by Debussy's music, which, as a fact, filled hardly more than a subordinate place in the production. Ravel's "Bolero" and "La Valse," Honegger's "Amphion" and Milhaud's "La Bien Aimee" were among the ballets performed, Ravel conducting his own works, both of which were made striking from the spectacular standpoint.

In the realm of creative music it has been a matter of particular interest and congratulation in recent years to observe the prominence legitimately claimed by young British composers. Not least among them stands William Walton, who, in his early twenties, achieved distinction by means of a Viola Concerto, a Sinfonia Concertante, and other scores remarkable for their tokens of a fresh and individual outlook. But none of his previous essays had equalled in importance his "Belshazzar's

Feast," which, after creating a deep impression at the Leeds Festival, was given for the first time in London on November 25 at a B.B.C. concert conducted by Adrian Boult. The expectations aroused by the enthusiasm with which this really striking work was acclaimed in the North were fully realised at the second performance. "Belshazzar's Feast" could not inaptly, perhaps, be described as a new type of oratorio—new at any rate in the sense that for the old, well-worn traditions of the form the composer has substituted methods entirely his own. Moreover, through the medium of his own technique, he here shows a power, almost overwhelming at moments, of direct utterance of which he had not previously given evidence. The sheer driving force of the music would alone suffice to make it exhilarating. Yet, withal, one was made conscious of his firm emotional control, as also of a mastery of resource that might be considered remarkable even in a composer of far riper experience.

Another young native composer, Constant Lambert, came forward with a Piano Concerto—a piece not easy to appraise at a single hearing, partly because of the difficulty of coming to grips, as it were, with the composer's mentality as expressed through his music. But whatever the actual importance of this concerto—in which the solo part was played by Arthur Benjamin—one can at least assert that the impression it produced was slight compared with the immediate popular appeal made by his earlier work, "The Kio Grande," to which, incidentally, it bore some affinity in its exotic rhythms.

Elgar, the doyen of British composers, contributed to the list of the year's novelties nothing on a large scale. But his "Nursery Suite," introduced by Sir Henry Wood at a Promenade concert, was welcome as representing the composer in the vein of unaffected charm and delicate grace of which the familiar "Wand of Youth" suite is an early and typical example. The new work, by the way, was dedicated to the Duchess of York's children. The most important novelty from the pen of Vaughan Williams was "Job," described as a Masque for Dancing, founded on Blake's illustrations of the Book of Job, and first heard at the Norwich Festival. In its proper form as a ballet it was performed in London both by the Camargo Society and at the Old Vic. But to the Royal Philharmonic Society was due the first hearing of the full orchestral score. The work undoubtedly took rank among the composer's most notable achievements, covering as it did a wide range of expression and attaining on many pages a high imaginative level.

A less ambitious native work was Delius's "A Song of Summer." Nevertheless it was welcome as being wholly idiomatic in its delicately elusive beauty and poetic feeling, no less than in its iridescent colours and exquisite workmanship. On the other hand, it can hardly be said that another of our representative composers, Dame Ethel Smyth, fully sustained her reputation with "The Prison," a setting for two solo voices, orchestra, and chorus of a text—a little reminiscent of Newman's "Gerontius"—by H. B. Brewster. The score showed a somewhat disconcerting mixture of styles, and, on the whole, more earnestness of purpose than real musical impulse. The work was produced in London by the Bach Choir.

Any new composition by Arnold Bax is rightly regarded as among the chief musical events of the season. In the year under review, however, he produced nothing very substantial or comparable in importance with his symphonies and other large orchestral works. A Nonet for strings, harp, and woodwind, performed at one of the Courtauld-Sargent concerts, was found in not a few of its characteristics—notably its suggestion of a Celtic note—to be pure Bax, and the unusual combination of instruments for which it was written resulted in the production of many beautiful effects of tone-colour. Another work new to London was the same composer's "A Northern Ballad." A piece of slight dimensions, described as "a general impression of the fiery romantic life of the Highlands before the * forty-five," its most memorable feature was a slow movement of a quiet appealing beauty in marked contrast to the strong, vigorous spirit of the rest.

Although dating from the previous year, when it was produced at the Norwich Festival, Arthur Bliss's choral symphony, "Morning Heroes," must be included among the novelties recorded here, since the first London performance did not take place until 1931. In this work, for the text of which he had drawn upon various poets, ranging from Homer to Walt Whitman, the composer spoke in a musical language far more understandable than that of his earlier period, and often with real eloquence. The list of new native orchestral scores may be completed with a reference to Gustav Hoist's Prelude and Scherzo entitled "Hammersmith"—a label of which the appropriateness was chiefly discernible in a section apparently intended to suggest the sluggishness of the river. On the whole, however, the piece can hardly be said to have made any very definite impression.

Two native operatic works remain to be mentioned—Arthur Benjamin's bright and spirited one-act opera, "The Devil Take Her," and Frank Bridge's "The Christmas Rose," the subject of which was inspired by the shepherds at Bethlehem. Both these operas were produced at the R.C.M.

A feature of the year particularly worth noting was the increasing attention rightly devoted to the music of Sibelius, four of whose symphonies were performed by various orchestras. Among distinguished foreign visitors London welcomed Richard Strauss and Igor Stravinsky. The former conducted his thirty-year-old "Domestic Symphony" and a work new to this country—"Three Hymns of Holderlin" for soprano voice and orchestra. These, though finely sung by Margarete Teschemacher, failed to arouse much enthusiasm. Stravinsky's Violin Concerto, in which Samuel Dushkin was the soloist, showed signs of a return to tonality, but in many other respects was characteristic of the composer. At the same (Courtauld-Sargent) concert was heard the Russian composer's "Symphonie des Psaumes," a setting for chorus and orchestra of words taken from the Psalms. It failed to make any deep impression; still less so, perhaps, his "Four Studies for Orchestra," which Ansermet conducted in a B.B.C. programme. An infinitely more attractive Russian work was Rachmaninov's second Symphony, a quasi-novelty that was heard at another B.B.C. concert conducted by Sir Landon Ronald.

SCIENCE OF THE YEAR.

THE BIOLOGICAL SCIENCES.

ALTHOUGH valuable additions to knowledge were made, the year was characterised by an attitude of stocktaking and an attempt to synthesise some of the vast accumulations of biological data.

Evolution and Genetics.—Further Lower Pleistocene remains of Peking man were found, and it is now clear that *Sinanthropus* is the most primitive known type of human kind, more generalised than either the Trinil or Pittdown remains, yet showing structural affinities with both. The discovery, late in the year, of well-shaped artefacts, not unlike those of European Chellean type, as well as evidences of fire in the cave of Chou Kou Tien, indicate that *Sinanthropic* life was intelligently organised and that man must have been well advanced in the Pliocene period. The Oldoway skeleton is of Kenya Acheulean age and represents the earliest known remains of *Homo sapiens*. In South Australia the cultural sequence of the Tartanga human remains suggests that the latter represent a type intermediate between modern Australian aborigines and the Talgai skull which is claimed to be of Pleistocene age.

Each new discovery makes it more clear that modern man is the only successful survivor of many and varied former approaches to his unique position and that, in his evolution from simian ancestors, the two fundamental structural advances were the great growth of the brain and facial change culminating in a chin. Abel's notable volume "Die Stellung des Menschen im Rahmen der Wirbeltiere" was published.

In considering the general problem of past evolution, progress seems to be correlated with alterations in surrounding conditions, and gradual improvement in adaptations, possibly, as MacBride suggested, with habit as a driving force, may be traced in relation to controlling circumstances. Even the few fundamental advances in the evolution of the vertebrates seem to be related to widely spread "revolutions of the globe." Similar characters were probably arrived at along different channels, groups beginning their evolution with different inherent potentialities, and the impetus to evolutionary development being not so much a struggle for existence among living things as between living things and their environmental conditions. The evolution of groups seems to be limited, progress not being continuous or indefinite or at a uniform speed but every group having its stage of differentiation and then congealing into already acquired forms. In the hands of the experimental biologists, one after another of the classical evolutionary theories have collapsed, although each appa-

rently contains elements of truth. Evolutionary transformations depend on still obscure causes.

The "species" remains a central problem in biology, and evidence suggests that it is not a genotypic unity but a collectivity perhaps indefinite of genotypic constitutions fixed in relation to environmental conditions. Bridges described the actual size and structure of the gene, but most biologists would agree with Caullery that genes are determinants rather than carriers of genetic factors, and that genes and their localisation have only conceptual existence. The mass and precision of concordant experimental results deduced from the conception indicate, however, that there is at least some correlation between it and reality. Genes may be only symbols, but everything happens as if they were entities.

Apart from gene mutation and phenotypic plasticity the species, as a succession of generations, seems to be stable save in the three-dimensional view of palaeontology. Gene mutation is a process which might lead to the formation of new species, save that mutants seem to remain strictly within the frame of the stock species. An explanation of evolution formulated in terms of genetics, especially mutations, leads to disconcerting paradoxes, and the geneticist has so far thrown little light on the origin of co-ordinated mechanical adaptations.

It is becoming clear that hereditary variations, save perhaps gene mutations, are causally related to processes of biparental inheritance and hybridism, and that it is these variations, perpetuated by apomixis or subject to natural selection and isolation, which are the raw material of evolution. Phylogeny must be visualised not as a branching tree but rather as an intricate network. Attention may be drawn to the symposium by Thorpe, Goodey, Brierley, Bruce-White, and Turrill on biological races in relation to evolution published in the "Annals of Applied Biology."

The most striking advances in cytogenetics were derived from the analysis of interspecific and intergeneric hybrids using the criterion of the pairing behaviour of the chromosomes at meiosis. In sex determination Metz's work on unisexual families in *Sciara* reopened the whole question. Schafner supported his view that, in hemp at least, sex is dependent on physiological balance and not on an allosome differential, whilst Hartmann showed that, in *Thallophyta*, sex is determined by a realising factor which gives to any bi-sexually potential cell a definite bias towards a particular sex, regardless of external conditions. Hermaphroditism, always difficult to explain, was clarified by Goldschmidt in his notable volume "Die sexuellen Zwischenstufen" based on his Gipsy-moth work.

Zoology.—The flow of faunistic, systematic, and morphological researches in all animal groups continued unabated, but there seems little in this work which might influence the general current of zoological thought, most of the investigations being the filling in of detail.

Animal ecology steadily crystallised out as a distinct branch of zoology. In the U.S.A. it was furthered by the Matamek Conference, where strong evidence was adduced from fish, birds, and mammals of the existence of a biological cycle lasting nine to ten years, and in Britain it was given

point by the recognition of the depredations of grey squirrels and musk **rats**. Other important contributions were those of Uvarov on insects and climate, of Williams on butterfly migration, Marlatt's discovery of the large insect fauna carried passively in the upper air, and further work on the biological control of insects described in Myers' report on " West Indian Pests."

Of noteworthy contributions to fishery research attention can only be drawn to Schmidts' discovery that the cod, the conger eel, and probably the herring, consist of local races with relatively restricted regions of distribution, the conger races having different breeding times and migratory tendencies. Craig Bennett's interesting work on the stickleback showed that the different phases of its reproductive cycle are dependent upon exact physical conditions in its environment.

Problems of symbiosis still focus attention. Stanley Gardiner and Yonge published divergent views on the nutritive relation of corals to their Zooxanthellae, Couch described the interesting relations between the fungus *Septobasidium* and the scale insect *Aspidiotus*, whilst both Kipper and Shinoda threw doubt on the generally assumed role of the symbiotic micro-organisms in leaf and wood-eating insects as described in Buchner's notable volume " Tier und Pflanze in Symbiose." There was also a marked development of work in insect physiology, and note must be made of Reh's classical volume " Tierische Schädlinge an Nutzpflanzen."

In Protozoology, Woodruff showed that although an amiconucleate *Paramaecium* cannot undergo endomixis or conjugation, great variations in its micronuclei do not influence its somatic life, and Dobell found that *Entamoeba histolytica*, the cause of amoebic dysentery, can be maintained indefinitely in artificial culture, and any stage produced at will, and that it can be inoculated into macaques and the infection eradicated at will by therapeutic means.

General Physiology.—The central theme of general physiology is the harmony of the organism as a whole, and it is being increasingly recognised that this depends upon internal secretions existing in the blood and showing their effects through variation in amount, and that many physical and mental abnormalities are traceable to autacid deficiencies or to disturbances in their normal interrelations at different physiological periods of the individual. Detailed study of certain hormones, such as adrenalin and thyroxin whose constitution is accurately known, showed that specific physiological effects of widely different nature may be due to the influence of the specific structure of an organic molecule. Further, Adrian, working with single nerve fibres and single isolated end-organs, found that the nervous structures exhibited such physical regularity in their behaviour that results were often predictable within about 1 per cent. A further striking feature was the general similarity of behaviour of nervous structures from whatever animal taken. It is, however, also being increasingly recognised that the nervous system of a living organism acts as an amplifier, **and** that the actions of the organism depend upon events on so minute **a** scale that they are appreciably subject to Heisenberg uncertainty. This implies that the actions of a living organism may not be predictable

definitely on the basis of its physical conditions and, actually, all attempts to portray the facts of development and heredity against a background of physics and chemistry have so far failed. Important volumes on these problems were Popoff's "Die Zellstimulation," Korschelt's "Kegeneration und Transplantation," Gray's "Experimental Cytology" and Needham's masterly work "Chemical Embryology."

Osterhout, working on plants, and Chambers, micro-operating on animal cells, made considerable additions to knowledge of the structure and functioning of single cells. The old problem of synthesising living matter was reopened by Crile who, by recombining lipoid, protein, and mineral salt fractions of animal tissue, obtained microscopic bits of colloid stuff which, although not alive, showed many of the physico-chemical properties of living cells. Investigation was continued of the controversial problem of the emission of mitogenetic rays by living cells, and Borodin, Yoffe and other workers seem definitely to have established the occurrence of the phenomenon. Although the cause and nature of these rays remain obscure, their discovery is certainly one of the most important contributions to biology in recent years.

An immense amount of work was done on problems of nutrition, the vitamins focussing attention. Moore and Capper found that pure carotene has the growth-promoting and an ti-infective properties of vitamin A, though chemically it is an entirely different compound. It is converted to vitamin A in the body, and Olcott and McCann have reproduced this *in vitro*. In vitamin B it is now possible to distinguish at least four factors, but, although formulae have been assigned, no pure substance has yet been isolated. Bourdillon and Windaus isolated the anti-rachitic vitamin D in crystalline form and it is now available in standard form as a solution of irradiated ergosterol. Important books on the vitamins were those by Browning and by Shermann and Smith.

Of more general studies may be noted the discovery that carbohydrate phosphate esters apparently serve the same purpose in higher green plants as in muscular contraction and in yeast fermentation, phosphorus standing on the threshold between kinetic and potential energy, and Orr's work on quality in herbage and causation of disease in cattle by mineral deficiencies in the soil.

Recent advances in the field of sex physiology are described in the Transactions of the 2nd International Congress for Sex Research.

Botany.—Many valuable systematic memoirs, general and local floras, were published; Stapf completed the "Index Londinensis" and several new volumes appeared of Engler and Prantl's "Die natürlichen Pflanzenfamilien." Of numerous morphological studies attention can only be drawn to Troll and Dragendorff's discovery that the main function of the breathing roots of mangrove and other swamp plants is to ensure a constant supply of absorbing roots rather than to ensure gas exchange, Chouard's researches showing the great variability of bulb structure in *Scilla* and its allies, Thompson's interesting theory of the leguminous strobilus on the basis of advancing sterility, Arber's study of the cruciferous flower, and Thomas's theory of the origin and rise of the flowering plants from

Pteridosperms intermediate between those giving rise to the Bennettitales and Caytoniales. A volume of rare distinction was Seward's "Plant Life through the Ages."

Ecological research was mostly descriptive, but with a strong physiological bias. The fifty-year period of Beal's experiments matured and the seeds of five species remained viable. Firbas showed that, except for the sundew, the high-moor vegetation is strongly xerophytic, and Maximov, Pringsheim and others reconsidered xeromorphy, showing that many xerophytic structures are better interpreted as consequences of growth in a dry habitat and not as direct biological adaptations to minimise water loss. Results of eight years study at the Yale forestry school showed that moisture is an important factor in determining the ground flora under trees. Attention may also be drawn to Fuller's "Ecology" and to Backer's "Krakatoa," a reinvestigation of this famous volcanic island which shows that many important conclusions accepted by botanists for over forty years have a slender basis. There was comparatively little publication on the ferns and mosses, but note may be made of Bruhl's "Census of Indian Mosses." In mycology, numerous studies appeared on the physiological and genetic analysis of fungi and on their sexual behaviour. Important volumes were Thaxter's "Laboulbeniaceae V," Stelling-Dekker's "Die sporogenen Hefen," Heim's "Inocybe," Jaczewski's "Phycomycetes," Buller's "Eesearches on Fungi, Vol. IV.," Clements and Shear's "Genera of Fungi," and Supplement XXV. of Saccardo's "Sylloge Fungorum." In algology, note may only be made of Svedelius's important contribution to the theory of the evolution of the life-cycle in the Rhodophycese.

In plant physiology numerous investigations were published. Of many studies on respiration attention may only be drawn to Hoffmann's discovery that the oxygen content of water has practically no effect on the respiratory activity of marine algae which is, however, influenced by the *pH*, and in certain cases by salt concentration. American workers criticised Dixon's generally accepted cohesion theory of the ascent of sap, and formulated a mechanical theory based on the evaporation of water from the leaves. Munch, Maskell, and Mason continued their studies of the movement of solutes within the plant, and showed that nitrogen, phosphorus, potassium and other ash constituents ascend via the wood and, with the exception of calcium, are re-exported from the leaves and descend via the phloem. Of many nutrition studies attention may be drawn to Allison's work showing that numerous organic forms of nitrogen and ammonia are assimilated by higher plants, some in preference to nitrate, and to the investigations of Gregory and Crowther who found that different varieties of barley differ widely in their efficiencies in the use of mineral nutrients. Newton and Martin published interesting studies on the nature of drought resistance in plants and the significance of water "bound" by plant colloids. Important volumes were Miller's "Plant Physiology," Lehmann and Aichele's "Keimungsphysiologie der Graser," Kostychev's "Chemical Plant Physiology," Klein's "Handbuch der Pflanzenanalyse," Wehmer's "Die Pflanzenstoffe, Bd. 2," Tunmann and Rosenthal's "Pflanzenmikrochemie" and Honcamp's "Handbuch der

Pflanzenernahrung und Dungelehre." It is a noteworthy fact that much of the most important plant physiological research came from agricultural institutions and applied workers.

Microbiology and Disease.—Viruses remained a chief focus of microbiology. The nature of viruses is still obscure, but evidence steadily accumulates supporting an organismal theory. The work, more particularly of Kendall, Ledingham, and Barnard and Elford, showed that certain viruses are either filterable stages of ordinary bacteria or true sub-microscopic organisms having many of the morphological characters of ordinary bacteria, but differing chiefly in size. That many bacteria can and do exist in a filterable and a non-filterable state seems now to be established, but, so far, these findings have not been applied to plant pathogens. Gye and Purdy, in a notable volume, "The Cause of Cancer," adduced further evidence that the essential agent of the non-cellular transmission of the filterable tumours of the fowl is a virus, and that the specific characters of such transmission are due to an associated accessory factor, joint action of the virus and tissue accessory substance being necessary for infection of new cells. They also claimed that a similar causation is responsible in mammalian tumours. Of other virus diseases it now seems to be established that the common cold is in this category. The Maitlands cultivated the virus of Foot and Mouth disease in the presence of living embryo tissue of guinea-pigs and it was definitely confirmed that rats and hedgehogs are infectible (a result of importance to agriculture); Dunkin and Laidlaw perfected the technique for immunising dogs against distemper. In plant virology the outstanding developments were the increased recognition of the fact that, in specific diseases, the agent is often not a specific virus but a population of distinct and separable entities, and the demonstration by Sheffield that, in at least the virus disease, aucuba mosaic of tomato, the characteristic intra-cellular inclusion bodies are mechanical aggregations.

Innumerable researches were published on the general parasitic diseases of animals and plants, but these were mostly the filling in of details. A marked development was in relation to disease survey and, especially, the more exact analysis of the field relations between the physical and biological environment and the invaded host. Two illustrations only may be given: the work of Tehon and Stout on standards of observation for fruit disease survey and the work of Swellengrebel on the distribution of anopheline mosquitoes in malarial regions. The Medical Research Council's "System of Bacteriology" was completed.

The applications of mycology and bacteriology in industry increase daily, and during 1931 there was a greater recognition of the immediate and essential dependence on technical microbiology of such problems as water pollution, foodstuff's preservation, fabric and timber deterioration, the fermentation and many of the fine chemical industries, etc.

In the study of micro-organisms considerable progress was made in knowledge of their physiology and genetics, many of the results regarding life histories and systematic values aligning with difficulty, if at all, with generally accepted ideas, and appearing to demand a more

or less complete reorientation of the systematic evaluation of these lower groups.

An interesting development, especially marked in South America, was the attention paid to nematodes, this being largely due to an increased recognition of their importance as agents of disease in both animals and plants.

General.—Much of biological progress is not the discovery of new facts but the seeing of old facts in new perspectives and the recognition of new values or of a different balance of values. It now seems almost platitudinous, for example, that methods of Statecraft need guidance from biological truths; that biology is an essential factor in education, even for the very young; that the problem of the improvement of the human race is a biological one; that biological knowledge may make the human race capable of a real civilisation, and that humanitarian or religious sentiments, acting in ignorance of biological knowledge, may be dangerous forces capable of producing devastating results. The general recognition by biologists of the fundamental importance of biology in such human affairs was a striking development during 1931. On the other hand, Jennings and other students pointed to a disposition to interpret the entire panorama of human history within the framework of present biological hypotheses.

A movement of growing intensity was the dissatisfaction felt by many botanists and zoologists regarding present University teaching in the biological sciences. The need of change is felt most keenly by the applied biologists, but it received sympathetic support from the more thoughtful and broad-minded academic teachers. There can be no doubt that, in many countries, the time is over ripe for a fundamental reorientation of pedagogic values and methods in the University biological schools, and important pedagogic experiments are already under way in America and Russia.

An interesting development was the increasing recognition that biology has been too purely analytical, that it is "overcharged with facts" and that, perhaps, the greatest immediate need is for interpretation and synthesis.

Two general books of quite unusual interest and value were published during the year: "Life" by Thomson and Geddes, and perhaps more especially "The Science of Life" by H. G. and G. P. Wells and J. Huxley.

THE PHYSICAL SCIENCES.

The year 1931 was of unusual interest in scientific circles both on the social side and from the view-point of scientific discovery. The British Association celebrated the centenary of its foundation by meeting in London for the first time; the President, the Rt. Hon. J. C. Smuts, formally taking office on September 23. Many distinguished foreign delegates assembled in London for the meeting, and for their convenience the celebrations of Faraday's discovery of electromagnetic induction were held

at the same time. Their chief feature was an exhibition at the **Albert Hall** showing how Faraday's discoveries in physics and chemistry have been applied to industry. Immediately following these celebrations meetings were held at Cambridge to commemorate the birth of James Clerk Maxwell. Among other meetings in this country were the Second International Congress of the History of Science and Technology (June 29-July 3); the jubilee celebrations of the Society of Chemical Industry (July 13-20), and the International Illumination Congress (September 2-19), made known to the ordinary citizen by the flood-lighting of many of the chief buildings in London and elsewhere.

In astronomy chief interest centred in the remarkable discovery that the universe is expanding at a rate which causes its radius to double every 1,300,000,000 years. This expansion does not apply to the stars in any one galaxy but to the separation of the galaxies themselves. The evidence is twofold—experimental and theoretical. Experimentally it is observed that the lines in the spectra of very distant spiral nebulae are shifted towards the red end of the spectrum. If this shift is due to the Doppler effect, it implies a recession, and Hubble found that the velocity of recession is proportional to the distance. Humason made measurements of the red shift in the spectra of a number of nebulae whose distances are considered known and found that a faint spiral nebulae in Ursa Major is receding with a velocity of 11,500 km. per sec, while another, the brightest nebula in Christie's cluster in Leo, recedes with a speed of $19,700 \pm 300$ km. per sec. His observations show that the rate of recession is 558 km. per sec. per megaparsec (*Astrophysical Journal*). It is of course possible, as Zwicky suggested, that the red shift is not due to a recession of the nebulae but is produced in some way at present unknown.

Perrine calculated that a recession velocity of 10,000 km. per sec. should increase the aberration constant from $2047''$ to $21.8''$ (*Astronomische Nachrichten*), but Stromberg found that the light from the nebula in Ursa Major referred to above reaches the earth with the usual velocity (*Pub. Ast. Soc. Pacific*).

The theoretical aspects of the problem were discussed at a meeting of the British Association (The Evolution of the Universe) and by Eddington in his presidential address to the Physical Society in November (*Proc. Phys. Soc*, Jan., 1932). Proof of the expansion depends on a recognition of the fact that the state of the universe is intermediate between that deduced by Einstein and that due to de Sitter. Einstein's universe contains matter, does not expand, but is unstable: de Sitter's, on the other hand, has already expanded so much that the density of matter in it is vanishingly small. Doubtless the initial state of the universe was that envisaged by Einstein in which the tendency to expand is just balanced by gravitational attraction; but once expansion started it would continue. The solutions of the mathematical equations for the intermediate states were obtained by the Abbe Lemaitre of Louvain in 1927, but his work did not attract any attention until the autumn of 1929. Since then

Eddington has identified the term — in the wave equation of the hydrogen

atom with the square root of the number of electrons in the universe divided by its equilibrium radius of curvature. He thus finds that the universe contains 1.29×10^{79} electrons; that its mass is 1.08×10^{22} times that of the sun and that its original radius was 1,070 light years. These statements one can believe or not as one pleases, but he also deduced that the rate of recession is 528 km. per sec. per megaparsec, which is in good agreement with the experimental value given above!

Continuing his work Eddington was able to show that the mass of the proton should be $1,847 \pm 60$ times that of the electron.

The difficulties which this discovery introduces into our estimate of the time-scale of stellar evolution were discussed at the meeting of the British Association (see *Nature*, October 24). It is possible that the revision of our views on the matter will involve the highly penetrating rays referred to in the ANNUAL REGISTER, 1928, p. 42, and 1929, p. 63. These rays have been the subject of numerous investigations during the last two years, but neither their nature nor their origin is yet certain. The fact that they are equally abundant all over the earth's surface at all times of the day and year shows that they reach the earth from outer space and they are therefore referred to as cosmic rays. Experiments carried out by Millikan in America and by Regener at Lake Constance made it possible to draw a curve showing how the rays are absorbed by increasing thicknesses of water, and this curve indicated that they are similar to gamma rays, that they have a banded spectrum, and that the most penetrating component has a wave-length = 0.63×10^{-13} cm. On the other hand, the work of Bothe and Kolhorster, Rossi, Geiger and others suggested that the radiations are corpuscular, resembling electrons or even protons. At a discussion arranged by the Royal Society in May, Lord Rutherford stated that in his opinion the weight of evidence favoured the gamma ray theory. At the Volta Conference held in Rome during October it was concluded that no decisive evidence for either theory had been obtained.

Jeans and Millikan both maintained that the rays are short gamma rays, but disputed their origin—Jeans regarding them as the result of the annihilation of matter and Millikan as being due to the energy released when heavier elements are formed from hydrogen (*Nature*, July 18 and October 24; *Pub. Ast. Soc. Pacific*, June).

Lecturing at Oxford in December Professor Freundlich, of the Potsdam Astrophysical Observatory, stated that from plates exposed by the Potsdam Solar Eclipse expedition to Sumatra in 1929 he had obtained the value $2''.24 \pm 0''.20$ for the deflection of a beam of light by the gravitational field of the sun. A recalculation of the results obtained by the Lick expedition gave $2''.2$. The value deduced from the theory of relativity is only $1''.75$.

The elements of the orbit of the planet Pluto, discovered last year, have been calculated by several astronomers. Calculations by Dr. E. G. Bower gave a period of 24843 years and an eccentricity 0.24864. The mass of the planet is still very uncertain. Nicholson and May all estimated it as 0.94 ± 0.25 times that of the earth.

The mirror' for the new telescope at the Perkins Observatory, Ohio, was set up in December. It is 69 inches in diameter and is thus the third largest in the world.

The atomic model has been profoundly altered in the last two years by the application of the ideas of wave mechanics. Pictures of electrons rotating round a central nucleus like planets round a sun have been replaced by others in which fuzzy spheres (or other figures) drawn round the nucleus represent the intensities of the normal modes of vibration of the electron waves, the intensity at any point being a measure of the probability of the presence of the electron particle there (*e.g.*, White, *Phys. Rev.*). These ideas were described in non-mathematical language by C. G. Darwin in his book "The New Conceptions of Matter" (Bell). Lennard-Jones, in a paper on Cohesion (*Proc. Phys. Soc.*, Sept.), showed how the methods of wave mechanics can be applied to calculate the forces between atoms or molecules (*e.g.*, the Van der Waals attractions). R. G. J. Fraser described the remarkable experiments made during the years 1929-31 on the *diffraction* of a stream of gas by a plane rock-salt surface. The results constitute a quantitative verification of the de Broglie equation for the wave-length of a moving body—here the gaseous molecule ("Molecular Rays," Cambridge University Press).

Bhagavantam, working with Rahman in Calcutta on the depolarisation of monochromatic light scattered by carbon dioxide and other gases, obtained evidence that common light consists of spinning photons possessing one quantum of angular momentum. Their interpretation of their results was disputed by Saha.

At the opening of the annual Congress of British Radiology in December, Lord Rutherford gave an account of the results of investigations carried out in his laboratory at Cambridge on the origin of the gamma rays from radium. These led him to consider that the atomic nucleus consists mainly of alpha particles, all of which are, as a rule, in the same quantum state. When a beta particle is expelled from the nucleus some of the alpha particles are raised to higher energy levels, and, falling back again immediately, give up the extra energy they had acquired in the form of gamma radiation (see also Rutherford and Ellis, *Proc. Roy. Soc.*, August). The suggestion that several alpha particles in an atom may be in the same quantum state is specially interesting since Pauli's exclusion principle expressly forbids it for the case of two or more *electrons*.

At the Volta Conference Bohr expressed the opinion that quantum mechanics is inadequate to deal with phenomena taking place inside the nucleus, especially with those concerned with nuclear electrons.

McLennan, Burton, Pitt, and Wilhelm investigated the resistance offered by lead wire to high-frequency currents at low temperatures, and found that the temperature at which super conductivity sets in is lower than it is for steady currents. In December McLennan was reported as having stated that he had discovered "how electric current passes through metal." The report excited some interest in the popular press, but no details of any scientific value were published.

Papish and Wainer at Cornell University have identified the " missing " element No. 87 in a sample of the mineral samarskite.

At the meeting of the British Association Sir J. J. Thomson, president of Section A, described the development of facilities for teaching and research in physics during the past fifty years. Sir Harold Hartley, president of Section B, dealt with the theory of electrolytic conduction, and showed how the mathematical theories due to Milner and to Debye and Hiickel account for the phenomena observed with strong electrolytes, while modifications introduced by Onsager cover the case of dilute solutions. In a discussion Debye pointed out that the marked increase in the conductivity of electrolytic solutions at high frequencies is due to the time required for the formation of an ionic atmosphere round an ion (10^{-7} sec).

The Physical Society held a discussion on Audition in June at which the physical, physiological, and subjective aspects of the subject were dealt with in great detail. E. N. da C. Andrade solved the problem of the formation of the ridges in the Kundt's tube experiment (*Proc. Roy. Soc.*).

A demonstration of the use of " micro " wireless waves, *i.e.*, waves of wave-lengths between 10 and 100 cm., was given between St. Margaret's Bay and Blanc Nez in France by the International Telegraph and Telephone Co., on March 31. Messages were sent by means of waves 17 cm. in length projected from a parabolic reflector, 10 feet in diameter, at the transmitting station to a similar reflector at the receiving end. Micro waves spread very little as they travel and do not bend to conform with the curvature of the earth. The permissible distance between successive stations is therefore very limited, but the waves possess many advantages for special purposes.

In the report of the Radio Research Board for 1930 it was stated that there is good experimental evidence for the existence of three zones of ionisation at different heights in the atmosphere. The most important is the centre zone which reflects waves in the medium and long wave bands used in broadcasting : its height is about 100 km. The highest layer, about 230 km. above the earth's surface, reflects the short waves (*e.g.*, 50-100 m.).

On May 27 Professor A. Piccard of the University of Brussels and Herr Kipfer ascended by balloon from Augsburg, Bavaria, and reached a height of 15*5 km. They remained in the air for 18 hours and had with them in their closed spherical aluminium cabin many instruments for scientific observations. No account of any results they may have obtained was published.

Imperial Chemical Industries, Ltd., stated that they had succeeded in producing petrol from coal by the hydrogenation process on a semi-commercial scale. They had in operation at Billingham a small plant capable of giving 9 tons of good quality petrol per day from 15 tons of coal. With full scale production (700-800 tons of petrol per day) the cost would be about *1d.* per gallon.

Among other remarkable technical achievements made public during the year were the Spicer-Dufay process of natural colour cinematography

demonstrated for the first time at the Royal Society conversazione; the 500 kilowatt all-metal thermionic valve, exhibited by Metropolitan-Vickers, Ltd., at the Faraday Exhibition and designed to replace fifty large power valves at the Rugby wireless station ; and the Savage searchlight designed to project advertisements on clouds and for spotting hostile craft in war-time. It was stated that the luminous intensity of the light source used in this searchlight is 3,000 million candle-power.

The New Ramsay Memorial Laboratory of Chemical Engineering was opened at University College, London, on November 26 by H.K.H. Prince George. Sir F. Gowland Hopkins, President, Royal Society, formally opened the central portion of the new Physics building at the National Physical Laboratory on June 23.

FINANCE AND COMMERCE IN 1931.

THE year 1931 witnessed the most tumultuous economic crisis the modern world has known. The dawn broke angrily, the tempest raged throughout the year, but abated slightly towards the night, holding promise of improvement in 1931. Not a single country escaped the ravages of the storm which was the inevitable economic consequence of the world war. The war left a mountain of indebtedness, political and commercial, and the creation of new nationalities multiplied the number of tariff walls and other barriers to international commerce. Further, the tariff walls were raised to prohibitive heights. This meant that the debtor nations were prevented from discharging their debts in goods and such services as they may have been able to render, and were compelled to pay in gold. At first the debtor nations were allowed to pay in paper securities, but as this increased their debts the creditor countries, or rather the newer ones, soon stopped lending. The creditor countries would not accept, as it would have been wise of them to do, payment in goods, but insisted on payment in gold. This made the position much worse. Under the circumstances the debtor countries had no option but to pour what free gold they had into the hands of their creditors. It was obvious, however, the supply of gold being limited, that sooner or later default must occur. By June, 1931, France and the United States had succeeded in obtaining possession of three-fifths of the world's stock of gold bullion. Austria was the first to show signs of collapse, and Germany followed quickly. In a desperate eleventh-hour attempt to succour Germany, President Hoover proposed a year's moratorium on the debts due to America, if other creditor nations would do the same, but this offer, coupled with the fact that France was slow to agree to it, arrived too late to save Germany from default. Those foreign banks who had lent short term money to Germany to the extent of 600,000,000l. in all agreed to continue their credits until February 29, 1932, in order to prevent the collapse of the currency. The bankers in turn urged their respective Governments to relieve Germany of the pressure of reparation payments in order to restore confidence in German credit. The Governments, however, were slow to respond. Country after country abandoned the gold standard, and international commerce was severely contracted, and in some cases brought almost to a standstill. At the end of the year no fewer than twenty-five countries had imposed restrictions upon payments abroad, and with the exception of the United States, France, Switzerland, Belgium, and Holland, the world had suspended payments in gold. Depression became intense in the gold countries, especially in America and France, the

two countries which showed the greatest reluctance to reduce political debts or to lower tariffs so as to make payment of debts in goods possible, or to lend money to ease the position of the debtors. Great Britain, of course, suffered with the rest and was at last forced to abandon the gold standard. Strenuous efforts were made to save the £, which had been undermined by great extravagance and inelastic wages. The final attempts to save the £ were made in August, when altogether 130,000,000l. was borrowed abroad, half of which was lent by the U.S.A. and the other half by France. The state of the country's trade (figures show that exports fell considerably on 1930 but imports declined very slightly on the previous year), its huge war debt and the unsound practices that had been carried on ever since 1918 proved to be too powerful opponents. Finally on September 21, Great Britain announced the suspension of gold payments. In December, after the General Election, the National Government sought to check the excessive imports by imposing a 50 per cent, tax on manufactured and semi-manufactured goods. It did not have any immediate effect upon the unsatisfactory unbalanced condition of trade, but it was a really sensible effort on the part of the Government to cope with the difficulties of the time, and as such was welcomed in business circles. As a result of the depreciation of sterling certain very depressed industries became more active. This applied particularly to the textile, hosiery, boot and shoe, and sundry industries, but the heavy industries gained but little. In this review last year it was pointed out that the year 1931 would be an important year of readjustment, for the manufacturing countries would have to reduce their costs and prices—which they could do partly by speeding up and increasing production and by currency devaluation where wage reductions were resisted—in order to enable the primary countries to buy more. The primary producing countries would be impelled by the fall in prices to reduce production, and equilibrium would be established by both moving towards each other. It was also explained that meanwhile a number of things of the first importance were likely to happen, namely that owing to the fall in prices and the shrinkage in trade the burden of the unproductive dead weight war debts would become impossibly heavy, that default would sooner or later occur, and that Great Britain, unless certain reforms and adjustments were made, would be forced to devalue the pound sterling in order to relieve the financial pressure upon her and to recover her competitive power. These things happened.

Foreign Exchanges.—The foreign exchanges were completely disorganised as the result of the concentration of the greater part of the world's gold stock in France and America. Quite early in the year countries began to drop off the gold standard; as pointed out in the ANNUAL REGISTER for 1930, the steady flight from the £ had already made it patent that Great Britain would be forced to devalue the pound unless the competitive power of the country was regained. About the middle of 1931, it became apparent that the suspension of gold was a matter of a few weeks. In the end the large sums of foreign monies, about 800,000,000l., which had been attracted here by high money rates, were withdrawn in increasing volume for three months prior to September 21 on which day this country

suspended gold payments. The event caused a great sensation, though it was recognised as being a sound measure in the circumstances. A number of other countries promptly linked their currencies with sterling. The pound sterling dropped to \$3 23 or three points above the low level touched in February, 1920, but it afterwards recovered to about \$3.39. At the end of October, 20,000,000l. of Franco-American credits obtained in August were repaid, 30,000,000l. were repaid on February 1, 1932, leaving a balance owing by the Treasury of 80,000,000l., half in New York and the other half in Paris. The only country in the British Empire which remained on the gold standard at the end of the year was South Africa, but her adherence was more nominal than real. The following table of the foreign exchanges is taken from *The Times Annual Financial Review* :—

Place.	Par of Exchange.	Dec. 31, 1930.	Dec 30, 1931.	Highest 1931.	Lowest 1931.
New York	4-8666	4-85 ⁵ / ₈	3.39	4-86 ²⁵ / ₃₂	3.23
Montreal -	4-8666	4-86 ⁷ / ₁₆	4.01½	500"	3-60
Paris	124-21	123-67	86*	124*	82 ⁵ / ₈
Brussels	35-00	34-76¼	24.40	34-99	23
Milan	92-46	92-75	66 ⁷ / ₈	9305	62½
Switzerland	25-2215	25-04¾	17 ⁷ / ₈	25.26½	16*
Athens	375	375	265	375*	240
Helsingfors	193-23	193	235	270	120
Madrid	25 2215	46-20	40	62*	3800 i
Lisbon	110	108¼	109¾	110*	107
Amsterdam	12-107	12-06	81 ¹⁵ / ₃₂	12.12½	7-50
Berlin	20-43	20-38¾	14 ⁵ / ₁₆	31.00	13.11/16
Vienna	34-58½	34-49	29½	3500	25-00
Budapest -	27-82	27-74½	28 ‡	3200	24-00
Prague	164-2527	163 ¹³ / ₁₆	114½	164*	100
Warsaw	43-38	43½	30*	43 ⁷ / ₈	28
Riga	25-2215	25-21	18	25.40	16-00
Bucharest -	813-6	817*	570	819	525
Constantinople -	110	1-025	705§	1025	670
Belgrade -	276-316	274g	190	277	175
Kovno	48-66	48¾	34	49	32
Sofia	673-659	670*	460‡	675	430
Reval	18-159	18-24	1300	18.30	11-00
Oslo -	18-159	18-16	18*	19-00	15-00
Stockholm	18159	18-12¾	17 ⁷ / ₈	19*	13*
Copenhagen	18-159	18-16½	18 ¹ / ₈	19	15
Alexandria	97*	97*	97	97ft	97 ³ / ₈
Bombay -	1s.d.	1/5 ¹⁵ / ₁₆	1/6 ⁵ / ₃₂	1/6 ⁷ / ₃₂	1/688
Calcutta -	18d.	1/6*8	1/6 ⁵ / ₃₂	1/6 ⁷ / ₃₂	1/5 ²³ / ₃₂
Madras	18d.	1/5 ¹⁵ / ₁₆	1/6 ⁷ / ₃₂	1/6 ⁷ / ₃₂	1/6**
Hong-Kong	—	1/1½	1/5 ⁵ / ₈	1/7	10¾d.
Kobe	24-58d.	2/0*	2/0*	3/0¾	2/0*
Shanghai -	—	1/5	1/11½	2/1	1/1½
Singapore -	2/4	2/3¾	2/4 ⁵ / ₈	2/4 ⁵ / ₁₆	2/8*
Batavia -	12-107	12.06¾	8-52½	12-13¾	8-00
Manila	24-666d.	2/0 A	2/10½‡	2/11	2/0 ⁵ / ₁₆
Rio de Janeiro -	5-899d.	4 ³⁵ / ₆₄	41¼d.	4¾d.	2 ⁷ / ₈ d.
Buenos Aires	47-619d.	35½	40 ⁷ / ₈ d.	41½d.	28 ⁷ / ₈ d.
Valparaiso †	40	39-92	28-40	40-10	26-80
Montevideo	51d.	35½	31½d.	38¾d.	19d.
Lima †	17-38	16-55	12.07½	17.37½	11*
Mexico	9-76	10-30	8-50	16	8-25

† 90 days.

‡

Nominal.

§ Sellers.

Banking.—The banking returns for the year provide a clear reflection of the effects of the world-wide financial crisis. The turnover of the London Bankers' Clearing House and of the provincial clearings shrank very considerably. The aggregate decrease was 7,322,485,000l. or 16.8 per cent., the grand total of bills and cheques passed through the London Clearing House being 36,235,869,000l. Throughout 1931 the returns in the City and the Metropolis fell steadily. The great shrinkage in the turnover is directly traceable to the acute depression existing all over the world. The country clearings felt the full effects of the depression until after the suspension of gold payments in September. The country analysis showed a slight improvement in the total for the December quarter which, together with the returns of the provincial clearings, points to a welcome, though small, improvement in trade. Figures for the past two years are given in the following summary :—

	(000's omitted.) 1931.	1930.	Decrease.
	£	£	£
Grand total	36,235,869	43,558,354	7,322,485 or 16.8 per cent.
Town clearing -	31,815,808	38,782,577	6,966,769 or 17.9 per cent.
Metropolitan clearing	1,667,852	1,812,146	144,294 or 7.9 per cent.
County cheque clearing	2,752,209	2,963,631	211,422 or 7.1 per cent.

The totals of the eleven provincial clearings for 1931 are compared with those for 1930 in the following table :—

Town.	Amount.	Decrease.
	£	£ per cent.
Birmingham - - - - -	110,426,000	11,348,000 (9-3)
Bradford	38,264,000	4,979,000 (11-5)
Bristol - - - - -	56,952,000	233,000 (-4)
Hull	36,775,000	3,584,000 (8.8)
Leeds - - - - -	43,226,000	3,200,000 (6-8)
Leicester	31,948,000	4,073,000 (11-3)
Liverpool	290,869,000	34,860,000 (10-7)
Manchester	466,584,000	65,167,000 (12-2)
Newcastle-on-Tyne -	64,508,000	6,882,000 (9'6)
Nottingham - - - - -	22,233,000	7,565,000 (25-3)
Sheffield	37,795,000	6,952,000 (15-5)

The money market was severely controlled in the first months of the year, rates being kept above those prevailing in Paris, New York, Amsterdam, Brussels, and in Swiss towns, the object of this was to attract and keep foreign monies in London and thus to support the sterling exchange. But in July, following the shock to confidence caused first by the virtual collapse of the Austrian Credit Anstalt, and secondly by the

German banking crisis, funds were withdrawn from London very heavily. The Bank of England lost 30,000,000l. in gold, Bank rate was raised from 2½- to 3½ and later to 4½ per cent. On September 21 it went to 6 per cent., and remained at that level for the rest of the year. At the beginning of August, in order to allow the Bank to ship more gold, the fiduciary issue was increased by 15,000,000l. to 275,000,000l. at which figure it remained. On January 1 the Bank's gold stock stood at about 148,000,000l.; it rose to 165,811,000l. on July 8, the highest figure of the year, and dropped to 121,349,000l. by the close. Between July and September 21 it is estimated 200,000,000l. of foreign funds was withdrawn from London largely with the aid of the 130,000,000l. of foreign credits raised by the Bank of England and the Treasury. In May the New York discount rate fell to the record low level of 1½ per cent. At the request of the Governments, which assembled in London in connexion with the Hoover moratorium of one year for war debts and reparations, the British, American, and other foreign bankers agreed to make a standstill agreement in regard to private short term debts amounting to about 600,000,000l. owing by Germany. This agreement suspended repayments for six months expiring on February 29, 1932, but before that date it was arranged to extend it for one year. A special discount rate of about 6 per cent, was applied to the German sterling bills which amounted to about 53,000,000l. The earnings of the banks were severely reduced, and bad debts and investment depreciation called for large appropriations. Earnings of the five biggest banks were reduced by 894,610l. to 9,127,544l. All except one reduced their dividends by 2 per cent., and these four appropriated between them 8,548,000l. from published reserves to cover investment depreciation and other contingencies. The following table shows the average money rates for the five years 1927 to 1931 :—

1927	1928	1929	1930	1931
BANK RATE AVERAGE.				
£ s. d. 4 13 0	£ s. d. 4 10 0	£ s. d. 5 10 0	£ s. d. 3 8 4	£ s. d. 3 19 0
DISCOUNT RATE (THREE MONTHS BANK BILLS) AVERAGE.				
4 4 9	4 3 4	5 5 2	2 12 6	3 11 9
BANKS' DEPOSIT RATE AVERAGE.				
2 13 0	2 10 0	3 10 0	1 8 4	2 0 10
TREASURY BILL (TENDER) RATE AVERAGE.				
4 5 2	4 2 9	5 5 1·7	2 10 10·31	3 10 2·08
SHORT LOAN RATE AVERAGE.				
3 14 6	3 12 9	4 12 0	2 9 0	3 1 9

The next table shows the figures of the Bank of England for three years :—

	Dec. 30, 1931.	Dec. 31, 1930.	Dec. 24, 1929.
Coin and bullion -	121,348,721	148,271,371	146,027,587
Note circulation -	364,160,042	368,801,566	379,573,841
Public deposits -	7,732,655	6,580,599	8,829,268
Other deposits:—			
Bankers' -	126,397,730	132,449,330	71,048,531
Other accounts	40,341,083	36,159,228	35,788,939
Reserve (notes and coin)	32,198,679	39,469,805	26,453,746
Ratio	18 ⁷ / ₁₆ per cent.	22½ per cent.	221 Per cent
Government securities	95,340,906	81,021,247	67,123,618
Other securities:—			
Discounts and advances	27,290,602	48,962,458	22,300,076
Securities	37,612,864	23,690,166	17,735,120

It will be seen from the next table that the volume of Treasury Bills was greatly reduced during 1931 :—

Floating Debt.	Dec. 31, 1931.	Dec. 31, 1930.
	£	£
Ways and Means Advances :—		
From the Bank of England -	14,000,000	26,250,000
From Public Depts. -	49,000,000	50,700,000
Treasury Bills -	664,480,000	690,235,000
Total -	727,480,000	767,185,000

In the next table are shown the monthly variations in the figures of the ten London clearing banks. It will be seen that the process of deflation was severe. Deposits fell by 136,217,000l. while the cash holding was reduced by 13,333,000l.

Mouth.	Deposits.	Cash.	Money at Call and Short Notice.	Bills.	Investments.	Advances.
	£	£	£	£	£	£
January -	1,873,266	197,712	144,327	329,689	296,912	923,915
February -	1,819,560	189,994	115,914	301,164	309,449	924,869
March	1,763,893	183,985	114,100	240,391	311,109	936,071
April - -	1,735,678	178,489	116,969	210,972	308,485	940,304
May - -	1,737,807	179,416	131,527	223,977	289,860	934,629
June - -	1,781,926	187,447	133,222	265,727	288,425	923,000
July - -	1,787,716	183,783	130,451	280,971	299,548	912,982
August	1,745,006	179,846	113,208	263,643	301,755	908,548
September	1,711,834	173,733	106,945	236,858	304,003	910,832
October •	1,724,036	176,082	114,381	237,453	303,578	909,707
November	1,706,383	173,125	109,363	240,495	299,662	935,417
December	1,737,049	184,379	119,364	246,380	296,466	899,850

British Government Finance.—The year was historic in the realm of State finance. There were two Budgets, for the first time since 1914. The Budget for 1931 closed with a small surplus of a few millions for the reduction of the national debt instead of an expected figure of 66,000,000l. The Budget for 1931-32 was to have provided a surplus for debt redemption of 52,000,000l., but its makeshift character was very apparent and in the summer its falsity was ruthlessly exposed by a Committee over which Sir George May presided. The Budget was reckoned to show a real deficit of nearly 75,000,000l., and for 1932-33 a deficit of 170,000,000l. Accordingly, in September, a second Budget was introduced by the National Government, which had succeeded the Socialist Administration, imposing 40,500,000l. of new taxation for 1931-32 and 81,500,000l. in a full year, and economies yielding 22,000,000l. rising to 70,000,000l. in a full year. The standard rate of income tax was increased from *is. 6d.* to *5s.* in the pound, and surtax was increased by 10 per cent. This Budget had a strongly reassuring effect upon the public mind, and taxpayers actively co-operated with the Government in bringing stability back to the national finances by paying up their taxes very readily and by making presents to the Exchequer.

The Stock Exchange.—The steady depreciation in Stock Exchange values during the two years 1929 and 1930 became much steeper in 1931. The aggregate value of 365 representative securities, according to the tables in the *Bankers' Magazine*, decreased by 889,259,000l. or 13.9 per cent, to 5,467,492,000l. This depreciation exceeded the total decline of the two previous years by 176,259,000l. Eighty-seven fixed interest-bearing stocks fell from 4,219,374,000l. to 3,833,471,000l., a reduction of 9.2 per cent. Naturally owing to trade depression a greater fall was sustained by 278 variable dividend stocks, which fell from 2,137,377,000l. to 1,636,021,000l., a decrease of 803,356,000l. or 23.5 per cent, against a fall of 19.4 per cent, in 1930. Expressing these values by an index number, taking 1921 as the base (100), the fall in 1931 was equal to 15.9 per cent. The index numbers were 102.2 per cent, for fixed interest stocks and 90.7 for variable dividend securities. The total average was 98.5, the lowest figure in the ten-year period, the highest having been 127.3 in 1928. British Bank shares showed a fall of 20½ per cent. Even greater falls were shown by British and Foreign railway securities, the former declining by 43 per cent, and the latter by 32.2 per cent. The **fall** in United States railroad shares was, in fact, responsible for more than two-fifths of the total depreciation in variable dividend securities. In the Commercial and Industrial section the fall was also heavy, oil and copper being noticeably prominent. The only bright spot in the year's exceedingly gloomy record was an appreciation in gold shares; nineteen South African mines finished with an average rise of 9 per cent. New capital issues, which in 1930 were the smallest since 1925, fell in 1931 to an extraordinarily **low** level, the total being 88,666,000l., a little more than one-third of the 1930 total, which was 236,159,000l. Home borrowers took 42,588,000l. against 127,357,000l., India and Ceylon absorbed 22,469,000l. against 28,661,000l., British Dominions and Colonies 14,363,000l. against

41,385,000l., and foreign issues dropped from 38,757,000l. to 9,246,000l. Foreign Bonds were very weak during the year owing to defaults. Hungary declared a one-year moratorium on foreign loan payments in December, an exception being made of the 7½ per cent. League of Nations loan. Chile, Peru, and Brazil defaulted on the service of their foreign debts.

Industrial Profits.—These showed a very heavy shrinkage. The *Economist's* calculations showed that 2,010 companies earned net profits as shown by reports issued in 1931 of 160,076,906l. against 206,461,219l. in 1930. The ratio of profits to total ordinary and preference capital fell from 9.8 per cent, to 7.2 per cent., and the average rate of dividend on ordinary capital dropped from 9.5 per cent, to 7.2 per cent.

Foreign Commerce.—British overseas trade had a further decline in 1931, but the decline was due to a further fall in prices and not to diminished volume. Imports were 862,000,000l., a decline of 181,800,000l.; British exports, 389,000,000l., a decrease of 181,600,000l.; Re-exports, 64,000,000l., a decrease of 23,000,000l. The outstanding features of the year was that in September the imports of manufactured and semi-manufactured goods were for the first time greater than the exports of these goods. That was the position when this country suspended gold payments. The fall in the pound checked imports and increased exports, but the introduction of dumping duties obscured these facts for a time owing to rush of imports in order to avoid the coming duties. The Board of Trade analysis of the balance of payments for Great Britain in 1931 showed a debit of 110,000,000l., compared with a credit balance of 28,000,000l. in 1930 and 103,000,000l. in 1929. The figures are made up as follows :—

BALANCES OF CREDITS AND DEBITS IN THE TRANSACTIONS (OTHER THAN THE LENDING AND REPAYMENT OF CAPITAL) BETWEEN THE UNITED KINGDOM AND ALL OTHER COUNTRIES.

	1929.	1930.	
			In million £s
Excess of imports of merchandise and silver bullion and specie	381	[386	411
Estimated excess of Government receipts from overseas.	24	19	16
Estimated net national shipping income † -	130	105	80
Estimated net income from overseas investments	250	220	165
Estimated net receipts from short interest and commissions.	65	55	30
Estimated net receipts from other sources -	15	15	10
Total	484	414	301
Estimated total credit or debit balance in items specified above	+ 103	+ 28	- 110
Excess of exports (+) or imports (—) of gold bullion and specie	+ 15		+ 53

It will be seen that the income from shipping services fell by 25,000,000l. to 80,000,000l., from overseas investments by 55,000,000l. to 165,000,000l.

. Including some items on loan accounts.

† Including disbursements by foreign ships in British ports.

—the lowest levels touched for many years—and from banking and insurance commissions, etc., by 25,000,000l. to 30,000,000l.

Coaly Iron, and Steel.—The coal trade suffered severely from depression in 1931, more severely, perhaps, than any other industry. Production dropped to 220,000,000 tons, a decrease of 23,800,000, or nearly 10 per cent, on 1930. Exports decreased by 13,700,000 tons to 61,400,000 tons, and the amount available for domestic consumption was 158,600,000 tons, a decline of 10,100,000 tons. Output was regulated under the quota system established in 1930, but the allocations were about 17,000,000 tons in excess of requirements. Depression in the iron and steel trade was responsible for a decreased consumption of 17,000,000, the output of pig-iron falling from 6,200,000 tons to 3,750,000 tons, and of steel from 7,300,000 tons to 5,200,000 tons. Foreign restrictions interfered with the export trade. Results to the coal-owners were much worse than in 1930, the industry making an estimated profit of only about 2,000,000l. over the whole year against about 3,800,000l. in 1930. Coal-owners, as a body, were by no means satisfied with the working of the Act controlling output and regulating prices, and some were definitely in favour of the abolition of statutory control. World production of pig-iron fell from 79,400,000 tons in 1930 to 55,690,000 tons in 1931, while steel production fell from 93,330,000 to 69,590,000 tons. In all countries production declined, but while in other countries this was due to a smaller demand, in Britain it was due to the fact that 35 per cent, of the demand for steel was satisfied from abroad. This means that output in Britain was lower than it need have been, while imports were greater than necessary. British exports were less than in any year since 1868, and for the first time in British history were exceeded by imports. Pig-iron production was the lowest since 1859. To some extent the relatively large imports were due to anticipation of a tariff, and to the fact that foreign competitors cut prices to meet the reduction in British gold prices as the result of the depreciation in the pound, but foreign makers at the close of the year were attempting to enter into negotiations with one another to raise prices because they had become unremunerative.

Cotton and other Textiles.—1931 was the twelfth year of severe depression in the cotton industry, and at the close the outlook was anything but hopeful. Although the fall in raw material prices had been continuous for two years it gave no stimulus to the industry, or very little. For the first time in seventy years, Lancashire used more cotton from non-American sources than from American. Efforts were made during the year to reduce costs in one form or another in order to restore competitive power with foreign countries, and a huge scheme was drawn up for eliminating surplus plant by purchasing and destroying the less efficient, but these efforts were not successful during the year, though it was hoped that they might achieve a satisfactory result in time. Following the suspension of gold payments in Great Britain some improvement took place, but it was short-lived owing to the difficulty foreigners had in making payments in sterling. There was, however, a distinct change for the better in the woollen industry. The suspension of gold payments operated as a tariff

of 20 to 30 per cent, on all imported textiles, and this had a magical effect on Bradford. Within a week or so manufacturers found themselves inundated with orders. Every branch of the business benefited, and mills were soon working day and night shifts. In the early part of September, 64's warp tops were down to 19d. a pound; they jumped 1d. shortly after the abandonment of gold. Imports of sheep's wool amounted to 855,900,000 lbs., of which 264,100,000 lbs. were re-exported, these figures comparing with 783,300,000 lbs. and 288,200,000 lbs. respectively in 1930. British wool exported amounted to 35,700,000 lbs. against 32,600,000 lbs. Exports of woollen and worsted tissues amounted to 86,000,000 square yards against 113,700,000 square yards in 1930, while the net imports of these tissues rose from 35,200,000 square yards to 48,500,000 square yards. The artificial silk industry, after passing through a very quiet time for the greater part of the year, felt a distinct stimulus in the last quarter. Production reached the record figure of 6,260,000 lbs. in November, which was about 500,000 lbs. in excess of the previous record month, October, 1929. Total production for the first eleven months was 48,500,000 lbs. against 45,530,000 lbs. Domestic consumption was 43,250,000 lbs. in the eleven months against 39,600,000 lbs. in 1930. Exports were 4,236,000 lbs. against 6,431,000 lbs., but net imports rose from 571,000 lbs. to 1,307,000 lbs. Prices of viscose silk were much steadier than in previous years. The linen trade closed the year with an active business. The total value of exports of all kinds of linen goods was 4,985,961l. compared with 6,981,003l. in 1930. The decrease would have been much greater but for the stimulating effect of the depreciation of the pound in terms of gold which reduced imports and stimulated exports.

Wheat and other Commodities.—In an effort to raise the price of wheat the American Farm Board purchased in the early part of the year between 200,000,000 and 300,000,000 bushels of wheat at about 20 cents above the actual market value, but the scheme failed of its purpose and the Board stopped its operations. The failure was due to a plentiful supply, for though crops were short in places they were good in others. For instance, though Canada's yield dropped from 48,000,000 to 34,000,000 quarters, European crops rose from 170,000,000 to 178,000,000 quarters. The oil industry had a lean year. Crude oil dropped from 95 cents to 62 cents per barrel. Restriction, however, was put into effect in the United States and elsewhere, and the position improved towards the end of the year. Rubber, the output of which declined from 814,563,000 lbs. to 807,500,000 lbs., fell to the lowest price on record, namely 2¾d. a lb. This was due to the fact that consumption fell from 700,000 tons to 669,000 tons. Production of silver fell from 240,000,000 ounces to 190,000,000 ounces. The price touched the record level of 12d. an ounce on February 9, but following the suspension of gold the price recovered to 21⁹/₁₆d. The sterling price of gold reached the highest price of the year on December 8, namely 1265. 10d. per ounce. Copper dropped to the lowest figures ever recorded, and the same applies to a number of other articles.

The following table of the prices of commodities is taken from *The Times Annual Financial Review* :—

Commodities.	Dec 31, 1931.	Dec 31, 1930.	Average, 1913.
FOOD.			
Wheat, Eng., Gaz. Av. - - 112 lb.	6s. 1d.	6s.	7s. 5d.
" No. 2, N.Man. - - 4961b.	33s. 3d.	24s. 6d.	37s. 3d.
Flour, Ldn., Straights - - 280 lb.	25s.	24s.	27s. 6c.
Barley, Eng., Gaz. Av. - 112 lb.	8s. 3d.	8s. 3d.	7s. 8c.
Oats, Eng., Gaz. Av. - 112 lb.	6s. 8c.	5s. 6d.	6s. 10c.
Maize, La Plata, ex-ship - 4801b.	17s. 3d.	16s. 6c.	24s. 3c.
Rice, No. 2, Burma - cwt.	9s. 9c.	12s.	9s. 9c.
Beef, English sides - 8 lb.	4s. 5c.	5s. 3d.	4s. 3d.
" S. Amer., chilled hqr. - 81b.	3s. 11d.	4s. 8d.	3s. 5c.
Mutton, N.I., frozen - 8 lb.	2s. 10d.	4s.	3s. 3c.
Bacon, Irish lean - cwt.	64s.	100s.	77s.
" Amer., Cumb. - cwt.	45s.	72s.	68s. 3c.
Fish - stone	5s. 5c.	4s. 4c.	3s. 3c.
Eggs, English - 120	14s. 6c.	18s. 6d.	12s.
Sugar, Eng., ref., cubes - cwt.	24s. 3d.	23s.	18s. 3c.
" W. Ind., cryst - cwt.	19s. 6c.	20s. 6d.	16s.
Tea, N. Ind., Auctn. Avg. - lb.	10½d.	1s. 2½d.	9. 1/8d.
Cocoa, f.f. Accra, f.o.b. - cwt.	23s.	26s. 6d.	55s.
Cheese, Eng., Cheddar - cwt.	86s.	76s.	73s. 9c.
j Butter, Danish, fine - cwt.	136s.	142s.	125s.
Lard, Amer., ref., pails - cwt.	63s.	58s.	57s. 3c.
Potatoes, English, good - ton	10s.	6s.	79s. 3c.
MATERIALS.			
Pig Iron, Hemt., M'bro - ton	65s.	70s.	72s. 8c.
" Cleve'd, No. 3 - ton	58s. (yd.	63s. 6c.	58s. 2c.
Iron, marked bars, Staff. - ton	12s.	12l. 10s.	9s. 12s. 6c.
" Com. bars - ton	9l. 5s.	10l.	7s. 15s.
Steel, rails, heavy - ton	8l. 5s.	8l. 10s.	6s. 12s.
" boiler plates - ton	9l.	10s. 10s.	8s. 16s. 3c.
" galvzd. sheets - ton	9l. 5s.	11l. 5s.	11s. 7s.
" tinplates - box	Us. 3d.	15s. 6d.	13s. 6d.
Copper, electrolytic - ton	45l. 10s.	49l. 10s.	71s. 15s.
" strong sheets - ton	77l.	77s.	85s.
Tin, stand., cash - ton	141s. 2s. 6d.	116s. 10s.	200s. 2s. 6c.
Lead, English - ton	16l. 15s.	16s. 5s.	19s. 2s. 6c.
Spelter, Foreign - ton	14s. 6s. 3d.	13l. 15s.	22s. 10s.
Coal, lge. steam, Cardiff - ton	19s. 6d.	20s.	20s. 6c.
" best gas, Durham - ton	14s. 9d.	15s.	15s. 3c.
" best hse., Yorks - ton	24s.	20s. 6c.	17s. 6c.
Petlm., Amer., rfd., brl. - gal.	9½d	11½d.	8½c.
Cotton, Am., mid. - lb.	5-39d.	534c.	7-12d.
" Egypt, f.e.f., Sak. - lb.	7-05c.	7-70d.	9-84d.
" yarn, 32's twist - lb.	8½d.	8½d.	10½d.
" " 60's, do., Egp. - lb.	15d.	15½d.	17½c.
" shirtings, 8¼ lb. - piece	9s.	9s. 1½d.	8s.
" prnt., 17 X 17, 32 in. 125 yards - piece	22s. 3d.	21s. 9d.	19s.
Wool, gsy., merino, 60's - lb.	9¼d.	9¼d.	10¾s.
" gsy., crossbd., 46's - lb.	5¾d.	6½d.	11½d.
" tops, 64's - lb.	24d.	22c.	29c.
" tops, 40'8 - lb.	10d.	9¾d.	15c.
Flax, Livonian, I.K. - ton	41l.	95s.	38s.
Hemp, N. Zeal., h.p. fair - ton	19l. 10s.†	24s.†	28s. 5s.
Jute, first marks, shipmt. - ton	19l. 7s. 6c.	15s. 12s. 6d.	30s. 15s.
Hides, Eng., Ox, first - lb.	5¾d.	6½c.	7½d.
" Cape, drv - lb.	7½d.	6½d.	11½d.
Timber, gd. deal, 3 x 9 - stand	19l. 10s.	22s.	15s.
" W'cot oak, 1 in. - foot	1s. 3d.	1s. 3d.	10c.
Cement, best Portland - ton	21. 2s.	2l. 6s.	36s.
Rubber, Plant., sheet - lb.	3½/16d.	4½d.	3s. 1d.
Linseed oil - ton	16s. 10s.	22s. 10s.	24s. 15s.
Soda, crystals, bags - ton	5l. 5s.	5s. 5s.	2l. 2s. 6c.

. Average price of plaice, cod, and haddock.

† Nominal.

The general level of wholesale prices fell 3·6 per cent, following a fall in 1930 of 19·9 per cent. In the first eight months of the year there was a fall of 8·2 per cent., but a rise of 5 per cent, took place when British prices ceased to be gold prices and became sterling paper prices. The index number on December 31, 1931, was 99·5 per cent, compared with 103·2 per cent, on December 31, 1930, and 158·8 per cent, on December 31, 1921, 1913 prices being taken as 100. The Board of Trade index number of the cost of living dropped from 153 to 147.

Shipping and Shipbuilding.—The shipping industry had one of its worst experiences. For example, passengers carried across the North Atlantic in the first eleven months of the year were only about 300,000 in number against 540,000 in 1930. On January 1 the number and tonnage of idle ships was 665 and 1,593,247 respectively, and on October 1 the figures were 778 and 2,089,443 or nearly double as much as on the same date in 1930. The freight index number started the year at 87·86, dropped to 78·85 by September, but rose owing to the change from gold to sterling to 90·38 at the close of the year. The output of new ships was heavily reduced ; at the beginning of the year the number and tonnage of ships under construction was 181 and 908,900 tons, and at the close only 98 ships of a tonnage of 400,505. Work on 154,000 tons of this amount was suspended, including the great new liner for the Cunard Company. The year was much the worse in living memory for the shipbuilding industry.

LAW.

EXCEPT in so far as it naturally suffered repercussions from the political upheaval and the preceding economic crisis, the year 1931 was comparatively uneventful in the legal world. With one important exception—the constitutional Statute of Westminster—there was no legislation of great professional interest; in case law there was an unusually large number of useful but few outstanding decisions; nor was there any stir caused by judicial changes.

Lord Sankey was reappointed Chancellor by the National Government, and the personnel of both the Law Lords and the Court of Appeal remained the same throughout the year, as did also the High Court Bench. Sir Thomas Inskip replaced Sir Stafford Cripps as Solicitor-General when the change of Government took place, Sir William Jowitt retaining his post as Attorney-General. Up to the close of the year he had not a seat in the House of Commons.

Two former Solicitors-General died during the year: Sir Edward Clarke, a prominent legal and political figure of the last generation, at the age of ninety, and Sir James Melville, the Solicitor-General of the Labour Government, who had in 1930 resigned office on health grounds, at the age of 46. Sir Robert Wallace, the great protagonist of Probation and Chairman of the London Sessions since the passing of the 1907 Act, resigned office and was succeeded by Sir Cecil Whiteley, K.C. Mr. Claud Mullins joined the ranks of Metropolitan Magistrates, and there were several new County Court appointments, one of them caused by the death of Sir Francis Greenwell after thirty-five years on the County Court Bench.

The growing pressure of work at Assizes and the illness of judges during the winter of 1930-31 led to the accumulation of heavy arrears in the King's Bench Division; to meet the difficulty frequent resort was had to the expedient of appointing Commissioners of Assize from among the senior members of the Bar. In most cases these were entrusted with civil business, the criminal lists remaining in the hands of the judge himself.

The expense of litigation continued to be a topic of discussion, and reports on the subject were received by the Chancellor from both the General Council of the Bar and the Law Society, suggesting certain reforms in procedure but not committing themselves to any radical changes. On these no action was taken within the year. Further suggestions of a more drastic character were the theme of a book which evoked considerable interest in legal circles although addressed to the public at large—"In Quest of Justice," by Mr. Claud Mullins, a member of the Bar.

Of bodies appointed in 1930, both the Royal Commission on Unemployment Insurance under Judge Holman Gregory, K.C., and the Inter-Departmental Rent Restrictions Committee issued interim reports. The latter of these is to be the basis of a Bill to be introduced in 1932; the former recommended that certain immediate steps be taken to arrest the deterioration of the scheme. The first-fruits of the recommendations took the form of the hotly-debated Unemployment Insurance (No. 3) Act, which empowered the Minister of Labour, after consultation with an Advisory Committee, to issue regulations applying certain additional conditions to the receipt of benefit by part-time and seasonal workers and married women. This was done in the important Anomalies Regulations issued in October.

Although the total legislation of 1931 was small in bulk much of it was drastic in its effects on the ordinary life of the community.

Following on the financial crisis, the new Government, before appealing to the country, passed three Acts. The all-important Gold Standard (Amendment) Act on one day in September passed through all its stages in both Houses and received the royal assent. It suspended the operation of the section of the Gold Standard Act of 1925 which compelled the Bank of England to sell gold bullion on payment of a fixed price in any legal tender. In the Act immediately following it the Government adopted a procedure which was an innovation. It took power to legislate by Orders in Council for the limited period of a month, the object of the Orders to be the effecting of economies in the remuneration of persons "in His Majesty's service" and in five large departments of public expenditure. The Legislature having handed over the necessary powers in the National Economy Act, they were used with vigour, large sums being saved by, *inter alia*, a readjustment of contributions and benefits under the Unemployment Insurance scheme. With a disregard of constitutional technicalities, judicial salaries were reckoned as coming within the category of "persons in His Majesty's service," and the remuneration of High Court judges, Lords Justices, and Lords of Appeal and the rest was subjected to a 20 per cent, reduction, while that of County Court judges and holders of inferior judicial offices was reduced by 10 per cent. Finally, to the normal Finance Act of the spring, the feature of which was the imposition of a Land Tax, there was superadded the rare phenomenon of a second Finance Act, raising the standard rate of income tax and amending reliefs as well as dealing with other sources of State revenue. To a similar class as the three just referred to belongs the Act to prevent profiteering in foodstuffs and those passed by the newly elected House of Commons to impose high customs duties on those manufactured goods and foodstuffs the import of which affected most adversely the home market.

The special legislation supervening on the crisis should not be allowed to overshadow the few enactments of a more general order which reached the stage of a royal assent before the summer adjournment. Such are the Agricultural Marketing Act, for the organisation of marketing schemes by home producers, the Agricultural Land (Utilisation) Act for the

promotion of small holdings and the setting up of demonstration farms to be run by Local Authorities and others as agents of the Minister of Agriculture, and the Architects (Registration) Act, the title of which is self-explanatory. Interesting from the social point of view was an Act to amend the procedure where a woman convicted of a capital offence alleges she is an expectant mother and to prohibit the passing of the death sentence when such is shown to be the case.

At the very close of the year came the Statute of Westminster which gave effect to the recommendations of the Imperial Conferences of 1926 and 1930, and attempted the by no means simple task of imparting definiteness of form to the relations between the Mother Country and the new entities which the war had made of the Dominions, already defined in 1926 as those subsisting between the members of a group of "autonomous communities within the British Empire, equal in status, in no way subordinate one to another in respect of their domestic or external affairs." This Act, regarded in some quarters as mere surplusage and in others as pregnant with future trouble, provided, *inter alia*, that the Colonial Laws Validity Act should not apply to future laws enacted by a Dominion Parliament, no such laws being inoperative on the ground of repugnancy to the law of England, and defined the future position of Governors-General in relation to the Sovereign.

Criminal Law furnished in 1931 three *causes celebres* noteworthy from the legal as well as the popular standpoint. In February the Court of Criminal Appeal dismissed the appeal of Alfred Rouse, and a man was for the first time for a century and a half, it would appear, put to death for the murder of an unidentified victim. Widespread publicity was given by newspapers to evidence in the case admitted in the committal proceedings and excluded at the trial at Assizes as of doubtful relevance, and the question of the desirability of preliminary investigations before justices being heard behind closed doors was considerably discussed. Another matter raised in the House of Lords was the newspaper discussion of points of evidence during the pendency of the appeal. The second case was the conviction of Lord Kylsant under the Larceny Act of 1861 on a charge of publishing a prospectus which he knew to be false in a material particular. This conviction established that in criminal as well as in civil cases a document, every statement in which is true, may nevertheless be false, if by a number of statements a false intention is deliberately conveyed, and the case is likely to have the effect of making such documents more truly informative in the future. Finally, in May, the Court of Criminal Appeal for the first time for twenty years saw cause to quash a verdict of murder (*Rex v. Wallace*).

Each year sees a few cases in the civil courts of particular interest to the public generally, and in 1931 there were two or three such. In *Rex v. Registrar of Companies : ex parte More*, both a King's Bench Divisional Court and the Court of Appeal refused to recognise as a subject for registration a company formed to sell Irish Sweepstake tickets. The Lotteries Act of 1832, passed before any Dominion had been accorded responsible government, excepted from its ban "such tickets as are or shall be

authorised by this or some other Act of Parliament to be sold," and the question for decision turned on the meaning of the words "other Act of Parliament." A second action interesting "the man in the street" was a common informer action brought by Miss Orpen. Fortified by the Court of Appeal decision that, in view of the Sunday Observance Act, the London County Council were in fact powerless to grant a licence for the Sunday opening of cinemas, Miss Orpen claimed from one picture house and its directors large sums as penalties for breach of the eighteenth-century statute. The claim as against the company succeeded but not as against the directors. The penalties were renounced but costs recovered as against the company only. The decision in the case of *Miller v. Cannon Hill Estates* was important to the large class of people who buy houses in the course of erection. It established that, where a builder contracts with a purchaser to build or complete a dwelling-house, there is, apart from any express promise, an implication of law that the house shall be reasonably fit for habitation. Of everyday significance also was the judgment in *Winkworth v. Raven*, where a guest claimed damages from an innkeeper for injury caused by frost to the radiator of a car garaged in a shed open at one end and adequate for all but very severe weather. In pronouncing in favour of the defendant, the Court expressed the view that an innkeeper, while he was, with certain exceptions, an insurer of his guest's goods against theft, was not an insurer of his goods generally, and could only be held liable for injury to them if negligence were proved.

Cases of more specifically legal interest are not numerous. *Miller and Pickersgill's Contract* is an important Conveyancing decision. It established the right of a person in whose favour an assent or conveyance of legal estate is made by the personal representative to require an endorsement of it on the probate or letters of administration, and that those be produced to prove that notice has been placed thereon. Of rather special importance also is *Jackson v. Attorney-General*, which held that under the Administration of Estates Act the executor's right of retainer is still effective against debts which are by law payable in priority to other debts, including a debt in respect of one year's assessed taxes due to the Crown. *Re Vickery : Vickery v. Stephens*, also, is worth noting. In that case an executor who employed a defaulting solicitor and thereby lost funds of the deceased was held liable for an error of judgment only, there being no "wilful" default on his part. Although the decision naturally turned greatly on the facts of the case it is of interest.

A new Divorce Court point arose in *Newbould v. Attorney-General*, namely the significance of a decree of nullity for incapacity in the legitimisation of a child under the Legitimacy Act, 1926, an important section of which provides that nothing in the Act shall operate to legitimate a person whose father or mother was married to a third person when the illegitimate person was born. The petitioner for a declaration of legitimacy was born before his parents' marriage, and after his birth his father obtained a decree of nullity against a former wife. The Court held that the effect of the decree was to prove the earlier marriage to have been a mere ceremony not resulting in matrimony; that being so, the father of the child could

not be held to be married to a third person at its birth. A further point in connexion with the same section was cleared up in a case where it was held that section 8 enabled a person legitimated *per subsequent matrimonium* by the law of the domicile to be recognised as legitimate in English law (*Collins v. Attorney-General*).

It remains to say something as to the Rent Restrictions decisions of the year. These are noteworthy as showing the emergence of a general principle that the Acts do not give a tenant a property which he can transfer to other people and out of which he can make money, but a personal privilege as occupant of a dwelling-house. The case of *Skinner v. Geary*, where a statutory tenant had permitted his sister to occupy the premises for ten years while he and his wife lived elsewhere, is of particular importance. In that case the Court of Appeal definitely took up the position that the Acts protected only the tenant in actual occupation, although mere temporary non-occupation with an intention of returning would not be sufficient to deprive him of protection. In *Gee v. Hazleton*, again, where a tenant let part of the property of which she was a tenant under the Acts for the purposes of an advertisement hoarding at a sum greater than the rent of the whole, it was held, although only a licence and not a sub-lease was involved, that she had lost possession of that part. It was not, in the view of the Court, a use which a tenant could make of land within the Acts while keeping it within their purview.

In conclusion, *Mills Conduit Investments, Limited v. Denholm*, a money-lending case heard before a full Court of Appeal of six judges, is of both legal and general interest as establishing that the duty of the Court to find a money-lending transaction where the rate of interest exceeds 48 per cent, per annum harsh and unconscionable unless the contrary is proved is not destroyed by the fact that the defendant consents to judgment.

PUBLIC DOCUMENTS.

CONSTITUTION OF THE SPANISH REPUBLIC.

(DECEMBER 9, 1931.)

PRELIMINARY TITLE.

General Dispositions.

Article 1.—Spain is a democratic Republic of workers of all classes, which is organized on a regime of Liberty and of Justice.

The powers of all its organs emanate from the people.

The Republic constitutes an integral State, compatible with the autonomy of the Municipalities and of the Regions.

The flag of the Spanish Republic is red, yellow, and purple.

Article 1.—All Spaniards are equal before the law.

Article 3.—The Spanish State has no official religion.

Article 4.—Castellano (Spanish) is the official language of the Republic.

Every Spaniard is under the obligation of knowing it and has a right to use it, without detriment to the rights which the laws of the State acknowledge for the languages of the provinces or regions.

Unless otherwise decreed by special laws, no one can be compelled to know or to use any regional language.

Article 5.—The capital city and seat of government is Madrid.

Article 6.—Spain renounces war as an instrument of national policy.

Article 7.—The Spanish State will abide by the universal standards of International Rights, incorporating them in her laws.

TITLE I.

National Organization.

Article 8.—The Spanish State, within the irreducible boundaries of its present territory, will be composed of joint Municipalities of the provinces and of the regions which may be constituted on a basis of autonomy.

The territories of sovereignty in the North of Africa will be organized on an autonomous regime in direct relation with the Central Government.

Article 9.—All the Municipalities of the Republic will be autonomous in matters within their province, and they will elect Councillors by popular, equal, direct, and secret suffrage, excepting when they function under a regime of open Council.

The Mayors will be appointed always by direct choice of the people, or by the Councillors.

Article 10.—The provinces will be constituted by the joint Municipalities, in agreement with a law which will determine their regime, their functions and the manner of electing the organ handling their politico-administrative affairs.

Within their jurisdictional limits will enter the same Municipalities now forming them, excepting the modifications which the law may authorize.

Moreover, in the Canary Islands each island will form an organic category provided with an insular *Cabildo* as the working Body for its peculiar interests, with administrative functions and powers equal to those which the law may assign to those of the provinces.

The Balearic Isles may elect an identical regime.

Article 11.—If one or several adjoining provinces, with common historical, cultural, and economic characteristics, were to agree to organize themselves as an autonomous region, to form a politico-administrative nucleus within the Spanish State, they will submit their Statutes in agreement with the dispositions of Article 11.

In said Statutes they may claim for themselves, either totally or partially, the attributions which are determined in Articles 15, 16, and 18 of this Constitution, without detriment, in the second case, to the fact that they may claim all or part of the remaining attributions by the same procedure established in this fundamental Code.

The condition of being adjoining is not essential to insular territories between one and another.

Once the Statutes have been approved, they will become the basic law of the politico-administrative organization of the autonomous region, and the Spanish State will acknowledge and protect the region as an integral part of its juridical ordinances.

Article 11.—For the approval of the Statute of the autonomous region, the following conditions are requisite :—

(a) That it be solicited by the majority of the Councils, or, at least, by those Municipalities comprising two-thirds of the electoral census of the region.

(b) That it be accepted, by the procedure which may be laid down in the Electoral Law, by at least two-thirds of the electorate inscribed in the census of the region. If the plebiscite were negative, the proposal of autonomy may not be renewed until after the lapse of five years.

(c) That it be approved by the Cortes.

The regional Statute will be approved by Congress provided that it accords with this Title, and that it does not contain, in any case, precepts contrary to the Constitution, nor contrary to the organic laws of the State in matters not transferable to regional powers, without detriment to the powers which Articles 15 and 16 give to the Cortes.

Article 13.—The federation of autonomous regions will not be accepted in any case.

Article 14.—The Spanish State alone is cojoipetent to legisj&te and to take direct action in the following matters :—

1. Acquisition and loss of nationality, and regulation of constitutional rights and obligations.

1. Relation between the Churches and the State, and the regime of religions.

3. Diplomatic and consular representation and, in general, the representation of the State abroad ; declaration of war ; treaties of peace ; regime of Colonies and Protectorates, and all manner of international relations.

4. Defence of public safety, in conflicts of a supra-regional or extra-regional nature.

5. Maritime fishing.

6. State debts.

7. Army, Navy, and National Defence.

8. Import and Export duties, Commercial Treaties, Customs and the free circulation of goods.

9. The register of flags on merchant vessels, their rights and privileges, and the illumination of coasts.

10. Regime of extradition.

11. Jurisdiction of the Supreme Court, with the exception of the attributions acknowledged to the Regional Authorities.

11. Monetary system, fiduciary issue, and general banking regulations.

13. General regime of communications, airway lines, post, telegraphs, submarine cables and wireless communications.

14. Hydraulic utilizations and electrical installations, when the waters flow beyond the autonomous region or when the transport of the current goes beyond their boundaries.

15.^v Sanitary protection, in so far as it affects extra-regional interests.

16. Frontier police, emigration, immigration, and matters relating to aliens.

17. Exchequer of the State.

18. Supervision over the production and trade in arms.

Article 15.—To the Spanish State belongs the legislation, and to the autonomous regions the execution, within the bounds of their political capacity, in the judgment of the Cortes, of the following matters :—

1. Penal, social, mercantile and judicial indictment legislation, and, as regards civil legislation, the form of matrimony, the regulation of registers and mortgages, the basis of contractual obligations, and the regulation of Statutes, personal, real and formal, to co-ordinate the application and to solve disagreements between the different civil legislations of Spain.

The execution of the social laws will be supervised by the Government of the Republic, to guarantee their strict fulfilment and that of international treaties which may affect the subject.

1. Legislation on intellectual and industrial ownership.

3. Validity of official communiques and public documents.

4. Weights and measures.

5. Mining regime, and minimum bases as to forests, agriculture, and livestock breeding, in so far as they affect the protection of the national wealth and the co-ordination of national economics.

6. Railways, highways, canals, telephones and ports of general interest, the State reserving its rights of reversion and policing of the former, with the direct intervention which it may reserve to itself.

7. Minimum bases of internal sanitary legislation.

8. Regime of general and social insurance.

9. Legislation on waterways, game hunting and fluvial fishing.

10. Regime of the Press, Associations, public meetings and public amusement performances.

11. Right of expropriation, always excepting the power of the State to reserve for itself the execution of its particular functions.

11. Socialization of natural sources of wealth and economic entities, the ownership and powers of the State and of the regions being set out by legislation.

13. Services of civil aviation and wireless broadcasting.

Article 16.—Sole legislation and direct execution, in matters not comprised in the two foregoing Articles, may belong to the authority of the autonomous regions, in conformity with what may be established in the Statutes approved by the Cortes.

Article 17.—In the autonomous regions no matter may be regulated embodying difference of treatment between the natives of the region and other Spaniards.

Article 18.—All matters not explicitly acknowledged to the autonomous regions in their Statutes, will be considered as being under the direct control of the State ; but the latter may distribute or transfer its powers by means of a law.

Article 19.—The State may *fix*, by means of a law, the bases to which must be adjusted the legislative dispositions of the autonomous regions, when harmony between local interests and the general interests of the Republic should so demand. Prior appreciation of this need is a matter for the Court, of Constitutional Guarantees.

A favourable vote of two-thirds of the Deputies of the Cortes will be required for the approval of this law.

In those matters regulated by a Law of Bases of the Republic, regions may draw up pertinent Statutes, by law or by edict.

Article 20.—The laws of the Republic will be executed in the autonomous regions by their respective authorities, excepting those laws the application of which is attributed to special organs, or in the text of which the contrary is laid down, always in accordance with the dispositions of this Title.

The Government of the Republic may dictate Regulations for the execution of its laws, even in those cases in which their execution belongs to the regional authorities.

Article 21.—The right of the Spanish State prevails over that of the autonomous regions, in everything not attributed to the exclusive control of the latter in their Statutes.

Article 21.—Any of the provinces which forms an autonomous region or part of one may renounce its regime and return to the regime of a province directly under the control of the Central Government. To arrive at this decision it will be necessary that it be proposed by the majority of its Councils, and that it be accepted by at least two-thirds of the electors inscribed in the census of the province.

TITLE II.

Nationality.

Article 23.—The following are Spaniards :—

1. Those born, within or without Spain, of Spanish father and mother.
1. Those born in Spanish territory of foreign parents, always provided that they decide in favour of Spanish nationality, in the manner laid down by the laws.
3. Those born in Spain of unknown parentage.
4. Foreigners who take out letters of naturalization and those who,

without same, acquire citizenship in any town of the Republic, on the terms and conditions laid down in the laws.

A foreign woman who marries a Spaniard will preserve her nationality of origin, or she may acquire that of her husband, if she exercises the right to do so which is regulated by the laws, in agreement with the International Treaties.

A law will establish the procedure which will facilitate the acquisition of nationality by persons of Spanish origin residing abroad.

Article 24.—The status of being a Spaniard is lost:—

1. On taking up arms under a foreign Power without the permission of the Spanish Government, or on accepting under another Government employment which embodies the exercise of authority or jurisdiction.

1. By voluntarily acquiring naturalization in a foreign country.

On the basis of an effective international reciprocity, and by means of the requisites and steps which will be laid down in a law, citizenship will be granted to the natives of Portugal and the Spanish-speaking countries of America, including Brazil, when they should so request whilst residing in Spanish territory, without their losing or modifying in any way their original citizenship.

In those same countries, should their laws not prohibit it, even though they may not acknowledge the right of reciprocity, Spanish citizens may become naturalized without losing their original citizenship.

TITLE III.

Rights and Duties of Spaniards.

CHAPTER I.

Individual and Political Guarantees.

Article 25.—The following will not be considered as the basis for juridical privilege : Nature, affiliation, sex, social class, wealth, political opinions nor religious beliefs.

The State acknowledges no distinctions nor titles of nobility.

Article 26.—All religious beliefs will be considered as Associations submitting to a special law.

The State, the regions, the provinces and the Municipalities will not maintain, favour nor assist economically any Churches or religious Associations or Institutions.

A special law will regulate the total extinction, within a maximum period of two years, of the funds paid by the State to the Church.

Those Orders the Statutes of which impose, in addition to the three canonic vows, another special vow of obedience to any authority other than that of the legitimate State, will be disbanded. Their property will be nationalized and set aside for benevolent and educational purposes.

The other religious Orders will submit to a special law passed by the Constituent Cortes, and adjusted to the following bases :—

1. Disbandment of those which, because of their activities, constitute a danger to the safety of the State.

1. Inscription of those which are to continue, in a special Register under the control of the Ministry of Justice.

3. Incapacity of acquiring and maintaining, either by themselves or by means of an intermediary, more property than that which, subject to verification, is intended for dwelling purposes or for the direct fulfilment of their particular purposes.

4. Prohibition of taking part in trade, industry or teaching.

5. Submission to all the tax laws of the country.

6. Obligation of rendering every year accounts to the State of the disbursement of their property in regard to the purposes of the Association. The property of religious Orders may be nationalized.

Article 27.—Freedom of conscience and the right to profess and to practise freely any religion, are guaranteed in the Spanish territory, provided that due respect is shown to the requirements of public morality.

Cemeteries will be solely submitted to civil jurisdiction. There may exist in them no separation of precincts for religious reasons.

All religions may exercise their devotions in private. Public manifestations of religion must, in every case, be authorized by the Government.

No one may be compelled to declare officially his religious beliefs.

Religious status will not constitute a circumstance of modification of civil or political personality, excepting in so far as is laid down in this Constitution for the appointment of President of the Republic and to be President of the Council of Ministers.

Article 28.—Only those acts will be punished which have been declared punishable, by law, prior to their perpetration. No one will be judged excepting by a competent judge, and in conformity with legal procedure.

Article 29.—No one may be detained nor arrested save only for an offence against the laws. Any person detained must be set free or handed over to the judicial authorities within the twenty-four hours following the act for which he is detained.

Every detention will cease to have effect, or the person detained will be committed to prison, within seventy-two hours of having been handed over to the competent judge.

The resolution which may be dictated will be by judicial decree, and it will be notified to the interested party within the same period of time.

Authorities whose orders may cause an infringement of this Article, and agents and functionaries who execute same, will be made responsible, on proof of their illegality being adduced.

Procedure for the prosecution of these infringements will be public, without any need of providing bail or pledges of any nature.

Article 30.—The State shall not sign any international Agreement on Treaty having for object the extradition of politico-social delinquents,

Article 31.—All Spaniards may circulate freely through Spanish territory and choose their residence and domicile in it, and they cannot be compelled to move out of same except by virtue of an executory sentence

The right to emigrate or to immigrate is acknowledged, and it is

not subject to any other limitations than those which the laws may establish.

A special law will establish the guarantees for the expulsion of aliens from Spanish territory.

The domicile of every Spaniard or alien resident in Spain is inviolable. No one can enter it, except by virtue of an order by a competent judge. Any search of papers or effects will always be carried out in the presence of the interested party, or of a member of his family, and, failing these, of two residents of the same town.

Article 31.—Inviolability of correspondence in all its forms is guaranteed, save only when a judicial order to the contrary should be dictated.

Article 33.—Every one is free to choose his profession. Freedom in trade and industry is acknowledged, with the exception of the limitations which, for economic and social reasons of general interest, may be laid down by law.

Article 34.—Every one has a right to free expression of his ideas and opinions, making use of any means of broadcasting them or making them known, without the need of prior censorship.

In no event may editions of books or periodicals be banned, except by order of a competent judge.

The suspension of any periodicals may not be decreed, except by explicit sentence.

Article 35.—All Spaniards have the right to address petitions, individually and collectively, to the public authorities and to the Central Government. This right cannot be exercised by any armed forces.

Article 36.—Citizens of both sexes, of more than twenty-three years of age, will have the same electoral rights, as may be determined by law.

Article 37.—The State may demand from every citizen his personal services for civil or military services, in agreement with the laws.

The Cortes, at the proposal of the Government, will each year determine the military contingent.

Article 38.—The right to meet pacifically and unarmed is acknowledged.

A special law will regulate the right of meeting in the open and the right of public demonstrations.

Article 39.—Spaniards may freely associate in or organize trade unions for all the different purposes of human life, in accordance with the laws of the State.

The Trade Unions and Associations are compelled to be inscribed in the corresponding public Register, in accordance with the laws.

Article 40.—All Spaniards, without distinction of sex, are admissible to public posts and employment, according to their merit and ability, excepting the incompatibilities which the laws lay down.

Article 41.—Appointments, retirements and pensioning off of public functionaries will be effected in accordance with the laws. The immovability of the tenure of their posts is guaranteed by the Constitution. Dismissals, suspensions, and transfers will only take place for fully justified reasons contemplated in the laws,

No public functionary may be molested or persecuted because of his political, social, or religious views.

If the public functionary, in the execution of his duties, infringes his duties to the detriment of third parties, the State or the Corporation which he serves will be subsidiarily responsible for the consequent damages or losses, in agreement with the dispositions of the law.

Civil functionaries may form professional Associations which do not embody any interference with the public service entrusted to them. The professional Associations of functionaries will be regulated by a law. These Associations may appeal to the Courts against the decisions of their superiors which injure the rights of the functionaries.

Article 41.—The rights and guarantees specified in Articles 29, 31, 34, 38, and 39 may be suspended totally or in part in the whole of the national territory, or in part of it, by a Government decree, when the safety of the State should so demand, in cases of palpable and imminent danger.

If the Cortes be sitting, they will decide as to the suspension decided upon by the Government.

If they are adjourned, the Government must convene them for the same purpose within a maximum period of eight days. In default of their being convened, they will automatically meet and open on the ninth day. The Cortes may not be dissolved before deciding whilst the suspension of guarantees continues in force.

If they were dissolved, the Government will give immediate account to the Permanent Deputation established in Article 62, which will decide with equal attributions as the Cortes.

The period of suspension of constitutional guarantees may not exceed thirty days. Any extension will require a priority agreement of the Cortes, or of the Permanent Deputation, whichever it may be.

During the suspension of constitutional guarantees, the law of Public Order will be in force, for the territory to which it may apply.

In no event may the Government deport or banish Spaniards, nor exile them to a distance greater than 250 kilometres from their domicile.

CHAPTER II.

Family, Economics, and Culture.

Article 43.—The family is under the special protection of the State. Matrimony is to be founded on the basis of equality of rights for both sexes, and it may be dissolved by mutual consent or at the request of either of the spouses, with allegation, in the latter event, of a just cause.

Parents are compelled to feed, assist, educate, and instruct their children. The State will watch over the fulfilment of these duties, and subsidiarily undertakes their execution.

Towards children born out of wedlock, parents have the same obligations as in the case of children born in wedlock.

The civil laws will regulate the investigation of paternity.

No declaration whatever may be recorded as to the legitimacy or

illegitimacy of births, nor as to the civil status of the parents, in any deed of inscription or of affiliation.

The State will render aid to the sick and aged, and protection to maternity and to infancy, making its own the "Declaration of Geneva," or table of the rights of children.

Article 44.—All the wealth of the country, whoever its owner may be, is subordinate to the interests of national economy and subject to the maintenance of the public burdens, in agreement with the Constitution and the laws.

The ownership of all classes of property may be the object of compulsory expropriation, for reasons of social utility, by means of adequate compensation, unless otherwise enacted in a law approved by the votes of the absolute majority of the Cortes.

With the same requisites, ownership may be nationalized.

The public services and exploitations which affect the common interests may be nationalized in those cases which social necessity should demand.

The State may intervene by law in the exploitation and co-ordination of industries and enterprises, when the rationalization of production and the interests of national economy should so demand.

In no case may the penalty of confiscation of property be imposed.

Article 45.—All the artistic and historic wealth of the country, whoever the owner may be, constitutes cultural wealth of the Nation, and it will be under the safeguard of the State, which may prohibit its export and sale, and decree the legal expropriations which it may consider expedient in their defence. The State will organize a register of the artistic and historic wealth, it will ensure its zealous custody and will attend to its perfect preservation.

The State will also protect those places which are notable for their natural beauty, or for their well-known artistic or historic value.

Article 46.—Work, in its diverse forms, is a social obligation, and it will enjoy the protection of the laws.

The Republic will ensure to every worker the conditions necessary for a worthy existence. Its social legislation will regulate : cases of health insurance, accidents, forcible stoppage of work, old age, invalidity, and death; the work of women and of youths, and specially the protection of maternity; the working day and the minimum and family wage; annual holidays with pay; the conditions of the Spanish working man in foreign countries ; the institutions of co-operation; the economico-juridical relation of the factors which comprise production ; the participation of working men in the management, administration, and the profits of companies, and all that may affect the protection of the working classes.

Article 47.—The Republic will protect the peasant, and to this end it will legislate, amongst other matters, on the family patrimony which cannot be seized and is exempt from all kinds of taxes ; agricultural credit, indemnity for loss of harvests, co-operative societies for production and consumption, savings institutions, practical schools of agriculture and experimental agricultural and livestock breeding farms, works of irrigation and rural means of communication.

In equivalent terms the Republic will protect fishermen.

Article 48.—The fostering of culture is an essential attribute of the State, and it will do so by means of educational institutions connected with the system of the unified school.

Primary instruction will be compulsory and free.

Teachers and professors are public functionaries. Freedom in teaching is acknowledged and guaranteed.

The Republic will legislate to provide for needy Spaniards access to all grades of learning, in order that they may be subject to no other condition than that of aptitude and vocation.

Teaching will be lay; it will make work the basis of its methodological activity, and it will be inspired by ideals of human solidarity.

The rights of the Churches, subject to inspection by the State, to teach their respective doctrines in their own establishments, is acknowledged.

Article 49.—The issue of academic and professional titles and degrees belongs solely to the State, which will lay down the tests and requisites necessary for obtaining them, even in those cases where the certificates of studies emanate from centres of teaching of the autonomous regions. A law of Public Instruction will establish the school age for each grade, the duration of the periods of schooling, the curriculum and the conditions under which teaching may be authorized in private establishments.

Article 50.—The autonomous regions may organize their teaching in their respective languages, in agreement with the powers that may be granted in their Statutes. The study of the Spanish language is compulsory, and it will also be used as an instrument of teaching in all the Centres of Primary and Secondary Instruction in the autonomous regions. The State may maintain or create in them institutions of teaching, of all grades, in the official language of the Republic.

The State will exercise supreme supervision in the whole of the national territory, to ensure the fulfilment of the dispositions contained in this Article and in the two foregoing ones.

The State will attend to the cultural expansion of Spain, establishing delegations and centres of study and of teaching in foreign countries, and preferentially in the Spanish-speaking countries.

TITLE IV.

The Cortes.

Article 51.—Legislative power rests in the people, which exercise it through the Cortes, or Congress of Deputies.

Article 51.—The Congress of Deputies is composed of representatives elected by universal, equal, direct, and secret suffrage.

Article 53.—All citizens of the Republic over twenty-three years of age are eligible for Deputies, without distinction of sex or civil status, if they fulfil the conditions laid down in the Electoral Law.

The Deputies, once elected, represent the Nation. The legal duration of the mandate will be of four years, counted as from the date on which the general elections were held. At the termination of this period Congress

will be totally renewed. Sixty days, at most, after expiry of the mandate, or of the Cortes being dissolved, the new elections must be held. Congress will meet within thirty days, as a maximum, after the election. The Deputies will be re-eligible indefinitely.

Article 54.—The law will determine the cases of incompatibility of the Deputies, as well as their remuneration.

Article 55.—Deputies are inviolable for the votes cast and opinions expressed in the exercise of their duties.

Article 56.—Deputies may only be arrested in cases of flagrant delinquency.

The arrest will immediately be communicated to the Chamber, or to the Permanent Deputation,

If any judge or Court should consider that it should dictate an order of judicial indictment against a Deputy, it will so inform Congress, stating the bases which it considers pertinent to the matter.

After the lapse of sixty days, counted ^a from the date on which the Chamber should have acknowledged receipt of the corresponding official communication, without arriving at a decision with regard to the same, the petition will be considered as rejected.

Every arrest or prosecution of a Deputy will cease to have effect when Congress should so decide, if it is sitting, or if so decided by the Permanent Deputation, when sessions are suspended or the Chamber be dissolved.

Both Congress and the Permanent Deputation, according to the cases previously mentioned, may decide that the judge should suspend any process until the expiry of the parliamentary mandate of the Deputy object of the judicial action.

The decisions of the Permanent Deputation will be considered to be revoked if, on Congress meeting, they were not expressly ratified in one of its first twenty sittings.

Article 57.—The Congress of Deputies will have power to resolve as to the validity of the election and the capacity of its members elect, and to adopt its own regulations of internal regime.

Article 58.—The Cortes will meet without any need of being convened on the first legal working day of the months of February and October of each year, and they will function during at least three months in the first period and two in the second.

Article 59.—Cortes that have been dissolved may reunite with full rights, and recover their rights as a legitimate Power of the State, if the President should not have carried out, within the period laid down, the obligation of convening new elections.

Article 60.—The Government and the Congress of Deputies have the initiative in the proposals for legislation.

Article 61.—Congress may authorize the Government to legislate by decree, agreed upon by the Council of Ministers, on matters reserved to the authority of the legislative Power.

These authorizations may not be of a general character, and the decrees dictated by virtue of same will be in strict adjustment with the bases laid down by Congress for each particular matter.

Congress may demand to be informed of the decrees so dictated, so as to judge as to their adaptation to the bases established by Congress.

In no case may any increase of expenditure be authorized in this manner.

Article 61.—Congress will appoint, from its midst, a Permanent Deputation of Cortes, composed, as a maximum, of twenty-one representatives of the different political parties, in proportion to their numerical strength.

This Deputation will have for Chairman the then President of Congress, and it will deal with :—

1. Cases of suspension of constitutional guarantees contemplated in Article 41.

1. Cases to which Article 80 of this Constitution refers, relative to decree-laws.

3. Matters concerning the arrest and prosecution of Deputies.

4. All other matters in which the Regulations of the Chamber should give it authority.

Article 63.—The President of the Council and the Ministers will have a voice in Congress, even though they may not be Deputies.

They may not present excuses for non-attendance at the Chamber, when requested to attend by the latter.

Article 64.—Congress may pass a vote of censure against the Government or any of its Ministers.

Every vote of censure must be proposed, citing motives, and must be in writing, with the signatures of fifty Deputies duly sworn in.

This proposal must be communicated to all the Deputies, and it may not be discussed or put to the vote until five days after it has been presented.

Neither the Government nor the Minister will be considered as under the obligation of resigning if the vote of censure be not approved by the absolute majority of the Deputies constituting the Chamber.

The same guarantees will be observed in respect of any other proposal which indirectly may imply a vote of censure.

Article 65.—All International Agreements ratified by Spain and inscribed in the register of the League of Nations, and which are of the nature of international law, will be considered as an effective part of Spanish legislation, which must adjust itself to what is laid down in this way.

After ratification of an International Agreement which may affect the judicial order of the State, the Government will present, within a short period of time, to the Congress of Deputies, the necessary projects of law for the execution of their precepts.

No law whatever may be dictated in contradiction to the said Agreements, if they have not previously been denounced in accordance with the procedure laid down in them.

The initiative for the denunciation must be approved by the Cortes.

Article 66.—The people, by means of a referendum, may make subject to their decision the laws voted by the Cortes. For this purpose, it will suffice for 15 per 100 of the electorate to request a referendum.

The Constitution, the complementary laws of the same, those of ratifi-

cation of International Agreements inscribed in the League of Nations, regional Statutes, and tributary laws, may not be voted upon by means of a referendum.

The people may also, exercising the right of initiative, present to the Cortes a proposal for a law, provided that at least 15 per 100 of the electors should so request.

A special law will regulate the procedure and the guarantees of the referendum and of popular initiative.

TITLE V.

Presidency of the Republic.

Article 67.—The President of the Republic is the Head of the State, and he personifies the Nation.

The law will determine his civil list and allowances and distinctions, which may not be altered during the period of his magistracy.

Article 68.—The President of the Republic will be elected conjointly by the Cortes and a number of elector-delegates equal to the number of Deputies.

The elector-delegates will be elected by universal, equal, direct, and secret suffrage, in conformity with the procedure determined by law. The examination and approval of the powers of the elector-delegates is vested in the Court of Constitutional Guarantees.

Article 69.—Only Spanish citizens of more than forty years of age, in full enjoyment of their civil and political rights, are eligible for the Presidency of the Republic.

Article 70.—The following will not be eligible, nor can they be proposed as candidates :—

(a) Military officers on the active, reserved, or retired lists who have not held that status for at least ten years.

(b) The clergy, ministers of the different religions, and members of religious orders under vow.

(c) Members of ruling families or ex-ruling families of any country, whatever the degree of relationship connecting them with the head of same.

Article 71.—The mandate of the President of the Republic will last for six years.

"" The President of the Republic may not be re-elected until after a lapse of six years from the date of termination of his previous mandate.

Article 71.—The President of the Republic will swear before the Cortes, in formal session, fidelity to the Republic and to the Constitution.

This promise having been given, the new presidential period will be considered as begun.

Article 73.—The election of a new President of the Republic will be held thirty days before the expiry of the presidential mandate.

Article 74.—In the event of temporal impediment or of absence of the President of the Republic, he will be substituted in his functions by the

President of the Cortes, who in turn will be substituted in his functions by the Vice-President of the Congress. In the same manner, the President of the Parliament will assume the functions of the Presidency of the Republic if same were to become vacant; in such an event elections for a new President will be convened within the unextendable period of eight days, in conformity with what is laid down in Article 68, and they will be held within the thirty days following the convocation.

The Cortes, even though they be dissolved, will maintain their powers for the exclusive purpose of the election of President of the Republic.

Article 75.—The President of the Republic will have freedom to appoint and to dismiss the President of the Government, and, on proposal by the latter, the Ministers. He must necessarily dismiss them in the event of the Cortes explicitly signifying their lack of confidence in them.

Article 76.—The following are also powers of the President of the Republic:—

(a) To declare war, in conformity with the requisites of the Article which follows, and to sign peace.

(6) To confer civil and military posts, and to issue professional titles, in agreement with the laws and regulations.

(c) To authorize with his signature all decrees, counter-signed by the corresponding Minister, after agreement by the Government, the President having the power to decide that the projects of decrees be submitted to the Cortes, should he consider that they are in opposition to any of the laws then in force.

(d) To order any urgent measures which may be demanded by the integrity or the safety of the Nation, giving immediate account of same to the Cortes.

(e) To negotiate, to sign and to ratify International Treaties and Agreements on any matter, and to supervise their fulfilment in the whole of the national territory.

Treaties of a political nature, commercial treaties, or treaties which embody any burden on the Spanish treasury or on private Spanish citizens, and, in general, all those which for their execution call for measures of a legislative nature, will only have sanction for the Nation if they have been approved by the Cortes.

Projects of Agreement of the International Labour Office will be submitted to the Cortes within a period of one year, and, in the event of exceptional circumstances, a period of eighteen months, counted as from the date of closure of the conference at which they were adopted. Once approved by Parliament, the President of the Republic will sign the ratification, which will be communicated, for its registration, to the League of Nations.

All other International Treaties and Agreements ratified by Spain must also be registered with the League of Nations, in agreement with Article 18 of the Pact of the League, for the purposes therein contemplated.

Secret Treaties or Agreements and secret clauses of any Treaty or Agreement will not possess sanction for the Nation.

Article 77.—The President of the Republic may not sign any declaration

whatever of war, excepting under the conditions prescribed in the Pact of the League of Nations, and only after exhausting those defensive measures which are not of a bellicose nature, and the judicial or conciliatory and arbitration procedures established in the International Agreements in which Spain was a signatory power, registered with the League of Nations.

If the Nation be allied to other countries by private Treaties of conciliation and arbitration, the same will be applicable in every way not in contradiction to the general Agreements.

The foregoing requisites having been fulfilled, the President of the Eepublic must be authorized by a law for the signing of the declaration of war.

Article 78.—The President of the Eepublic may not issue a notification that Spain is withdrawing from the League of Nations, except by announcing the fact with the notice demanded by the Pact of that League, and after prior authorization of the Cortes, embodied in a special law, voted by an absolute majority.

Article 79.—The President of the Eepublic, at the instance of the Government, will issue the decrees, regulations, and instructions necessary for the execution of the laws.

Article 80.—When Congress is not sitting, the President, at the instance and by unanimous decision of the Government, and with the approval of two-thirds of the Permanent Deputation, may enact by decree regarding matters reserved to the domain of the Cortes, in exceptional cases which require urgent decision, or when the safety of the Eepublic should so demand.

The decrees thus dictated will only be of a provisional nature, and the time they are in force will be limited to the time that Congress may delay in deciding or legislating on the matter.

Article 81.—The President of the Eepublic may convene Congress to extraordinary sessions, when he may so consider it expedient.

He may suspend the ordinary sessions of Congress during each legislature, for one month only in the first period and for fifteen days in the second, provided that what is laid down in Article 58 is not left unfulfilled.

The President may not dissolve the Cortes more than twice during his mandate, when he should consider this necessary, and only on the following conditions, that is to say, either

(a) By justified decree ; or

(b) Accompanying the decree of dissolution with a convocation to new elections within the maximum period of sixty days.

In the event of a second dissolution, the first act of the New Cortes will be to examine and to decide on the necessity for the decree of dissolution of the previous Cortes. An unfavourable vote of the absolute majority of the Cortes will carry with it the discharge from office of the President.

Article 81.—The President may be discharged from office before the expiry of his mandate.

The initiative for the discharge from office may be taken at the proposal of three-fifths of the members composing Congress, and as from that moment the President may not exercise his functions.

The election of the elector-delegates will be convened within eight days, in the manner contemplated for the election of President. The elector-delegates, conjointly with the Cortes, will decide by an absolute majority as to the proposal set forth by the latter.

If the Assembly should vote against the discharge from office, Congress will be dissolved. In the contrary event, this same Assembly will elect the new President.

Article 83.—The President will promulgate the laws sanctioned by Congress, within a period of fifteen days, counted as from the date on which sanction should have been officially communicated to him.

If the law be declared urgent by two-thirds of the votes recorded in Congress, the President will proceed to its immediate promulgation.

Before promulgating laws not declared urgent, the President may ask Congress, by message adducing reasons, to submit them to further deliberation. If they be again approved by a majority of two-thirds of the votes, the President will be compelled to promulgate them.

Article 84.—Any acts or edicts of the President which are not countersigned by a Minister, will be considered null and void.

The execution of said edicts will implicate penal responsibility.

Ministers counter-signing acts or edicts of the President of the Republic assume full political and civil responsibility, and participate in the criminal responsibility which may derive therefrom.

Article 85.—The President of the Republic is criminally responsible for any deliberate infringement of his constitutional obligations.

Congress, by a decision of three-fifths of the whole of its members, will decide whether it is lawful to accuse the President of the Republic before the Court of Constitutional Guarantees.

If the accusation be upheld by Congress, the Court will decide whether it will accept it or not. In the affirmative event the President will, *ipso facto*, be discharged from office, new elections being held, and the impeachment will then follow the usual procedure.

If the accusation be rejected, Congress will be dissolved, and a new convocation to elections will be issued.

A law of a constitutional nature will determine the procedure for demanding criminal responsibility on the part of the President of the Republic.

TITLE VI.

Government,

Article 86.—The Government is constituted by the President of the Council and the Ministers.

Article 87.—The President of the Council of Ministers directs and represents the general policy of the Government. He is subject to the same incompatibilities established in Article 70 relating to the President of the Republic.

On the Ministers falls the higher supervision and management of the public services assigned to the different ministerial departments.

Article 88.—The President of the Republic, at the proposal of the President of the Council, may nominate one or more Ministers without portfolio.

Article 89.—The members of the Government will have the emoluments which the Cortes may determine. Whilst they are in office they may not carry on any profession whatever, nor intervene either directly or indirectly in the direction or management of any private concern or company.

Article 90.—On the Council of Ministers, principally, falls the duty of preparing the projects of law which may have to be submitted to the Parliament; the dictating of decrees; the exercise of regulating powers and the deliberation on all matters of public interest.

Article 91.—The Members of the Council will be answerable before Congress; conjointly as regards the policy of the Government, and individually as regards their own personal ministerial functions.

Article 91.—The President of the Council and the Ministers are also individually responsible, in the civil and criminal order, for infringements of the Constitution and of the laws.

In the event of delinquency, Congress will make the accusation before the Court of Constitutional Guarantees, in the manner which the law may determine.

Article 93.—A special law will determine the creation and the functioning of the advisory and regulatory organs of the Administration, of the Government and of the Cortes.

Amongst said organisms will figure a supreme Consultative Body of the Republic in matters of Government and Administration, the composition, attributions, and functions of which will be regulated by said law.

TITLE VII.

Justice.

Article 94.—Justice will be administered in the name of the State.

The Republic will assure Justice to needy litigants free of charge.

Judges are independent in their functions. They are to submit to the law alone.

Article 95.—The Administration of Justice will embody all the existing jurisdictions, which will be regulated by the laws.

Military penal jurisdiction will be limited to military offences, to the services of arms and to the discipline of all the armed forces.

No privilege whatever may be claimed in respect of persons or of places. The case of a state of war is excepted, in conformity with the law of Public Order.

All Courts of Honour, both civil and military, are abolished.

Article 96.—The President of the Supreme Court will be nominated by the Head of the State, on the proposal of an Assembly constituted in the manner which the law may determine.

The office of President of the Supreme Court may be filled only by a Spaniard, over forty years of age, who must be a lawyer.

The incapacities and incompatibilities established for other judicial functionaries will also apply to the above office.

The exercise of his magistracy will last for ten years.

Article 97.—The President of the Supreme Court will have, in addition to his usual powers, the following :—

(o) To prepare and to propose to the Minister, and to the Parliamentary Commission of Justice, laws of judicial reform and of reform of the Codes of procedure.

(b) To propose to the Minister, in agreement with the Court of Government, and to the juridical counsellors which the law may designate, from amongst elements not exercising the legal profession, promotions and transfers of judges, magistrates, and fiscal functionaries.

The President of the Supreme Court and the Attorney-General of the Republic will be added, as a permanency, with voice and vote, to the Parliamentary Commission of Justice, without this carrying with it a seat in the Chamber.

Article 98.—Judges and magistrates may not be retired, discharged or suspended in their functions, nor transferred from their posts, excepting in accordance with the laws, which will contain the guarantees necessary for the independence of the Courts to be effective.

Article 99.—The civil and criminal responsibility which judges, magistrates, and procurator-fiscals may incur in the exercise of their functions, or by reason of them, will be referred to the Supreme Court, with the intervention of a special Jury, the appointment, capacity, and independence of which will be regulated by law. The civil and criminal responsibility of municipal judges and procurator-fiscals, who do not belong to the legal profession, is excepted.

Criminal responsibility of the President and the magistrates of the Supreme Court, and of the Attorney-General of the Republic, will be preferred by the Court of Constitutional Guarantees.

Article 100.—When a Court of Justice may have to apply a law which it considers contrary to the Constitution, it will adjourn the proceedings and will consult the Court of Constitutional Guarantees.

Article 101.—The law will establish means of appeal against the illegality of the acts or dispositions emanating from the Administration, in the exercise of its regulating powers, and against the discretionary acts of the same constituting an excess of or deviation from power.

Article 101.—Amnesties can only be granted by Parliament. No general pardons will be granted. The Supreme Court will grant individual remissions on the proposal of the judge who passed sentence, of the Attorney-General, of the Prisons Commissioners, or on petition of the interested party.

In offences of extreme gravity, the President of the Republic may grant remission of sentences, after receiving a report from the Supreme Court and on the proposal of the responsible Government.

Article 103.—The people will participate in the Administration of Justice by means of the institution of the Jury, the organization and functions of which will be the subject of a special law.

Article 104.—The Fiscal Ministry will watch for the exact fulfilment of the laws and over social interests.

It will constitute one single Body, and will have the same guarantees of independence as the Administration of Justice.

Article 105.—The law will organize urgency Courts in which to render effective the right of protection of individual guarantees.

Article 106.—Every Spaniard has the right to be indemnified for any damages or injuries caused him by judicial error, or by delinquency on the part of the judicial functionaries in the exercise of their office, in conformity with what the laws may determine.

The State will be responsible for these indemnities.

TITLE VIII.

Public Finances.

Article 107.—The drawing up of the project of the Budget is the duty of the Government; its approval the duty of the Cortes. The Government will present to the latter, in the first half of the month of October of each year, the project of general estimates of the State for the following financial year.

The period of enforcement of the Budget will be one year.

If it cannot be put to the vote before the first day of the following financial year, the last Budget will be extended by periods of three months, without these extensions exceeding four in number.

Article 108.—The Cortes may not present any modification embodying an increase of any item or chapter of the project of the Budget, except with the signatures of one-tenth of its Members. Its approval will require the favourable vote of the absolute majority of Congress.

Article 109.—For each financial year there can only be one single Budget, and in it will be included all revenue and expenditure of an ordinary nature.

In the event of special requirements, an extraordinary Budget may be authorized by the absolute majority of Congress.

The accounts of the State will be submitted every year and will be checked by the Court of Accounts of the Republic ; the latter, without detriment to the effectiveness of its decisions, will inform the Cortes of any ministerial infringements or responsibilities which, in its opinion, may have been incurred.

Article 110.—The general Budget will be made effective by the sole vote of the Cortes, and will not require for its enforcement any promulgation by the Head of the State.

Article 111.—The Budget will fix the Floating Debt which the Government may issue within the financial year and which will be extinguished during the legal life of the Budget.

Article 111.—With the exception of what is laid down in the foregoing Article, any law which authorizes the Government to float loans, must

contain the conditions of same, including the nominal rate of interest and the rate of amortization of the Debt.

Authorizations to the Government in this respect will be limited, when the Cortes should so consider expedient, as to the conditions and the method of negotiation.

Article 113.—The Budget may not contain any authorization which allows the Government to exceed in expenditure the exact figure contained therein, except in case of war. In consequence, there can be no so-called expanding credits.

Article 114.—The credits appearing in the statement of expenditure represent the maximum amounts assigned to each service, which cannot be altered or exceeded by the Government. By exception, when the Cortes are not in session, the Government may grant, under its own responsibility, credits or supplementary credits for any of the following cases :—

(a) War, or avoidance of same.

(b) Serious disturbances of public order, or imminent danger of same.

(c) Public calamities.

(d) International commitments.

Special laws will determine the procedure in regard to these credits.

Article 115.—No one will be compelled to pay any taxes that have not been voted by the Cortes, or by the Corporations legally authorized to impose them.

The imposition of duties, rates, and taxes, and the realization of sales and credit operations, will be considered as authorized in accordance with the laws in force, but they cannot be demanded or carried into effect without their prior authorization in the statement of revenue of the Budget.

Nevertheless, prior administrative operations, laid down in the laws, will be considered as authorized.

Article 116.—The Budgetary Law, when considered necessary, will only contain the particulars applicable to the execution of the Budget to which it refers.

Its precepts will only be in force during the enforcement of the Budget itself.

Article 117.—The Government requires to be authorized by a law to dispose of properties belonging to the State, and to receive monies on loan against the credit of the Nation.

Any operation infringing this precept will be void and without obligation on the State either as to its amortization, or to the payment of interest.

Article 118.—The Public Debt is under the safeguard of the State. Credits necessary to meet the payment of interest and capital will always be considered as included in the statement of expenditure of the Budget, and they may not be the subject of discussion whilst they are in strict adjustment to the laws which authorized their issue. Identical guarantees will, in general, be enjoyed by every operation implying, either directly or indirectly, financial responsibility of the Treasury, provided that the same supposition as above applies.

Article 119.—Any law instituting a Redemption Fund will be adjusted to the following standards :—

1. It will grant to the Fund full autonomy of action.

1. It will designate clearly and specifically, the resources with which it will be endowed. Neither the resources nor the capital of the Fund can be applied to any other State purpose.

3. It will fix the Debt or Debts the redemption of which is entrusted to it.

The yearly Budget of the Redemption Fund will require, in order to be executive, the approval of the Minister of Finance. Accounts will be submitted to the Court of Accounts of the Republic. The Cortes will be acquainted with the results of this supervision.

Article 120.—The Court of Accounts of the Republic is the supervising organ of financial affairs. It will depend directly on the Cortes, and will exercise its functions in the study and final approval of the State accounts.

A special law will regulate its organization, competence, and functions.

Its disagreements with other organizations will be submitted to the decision of the Court of Constitutional Guarantees.

TITLE IX.

Guarantees and Reform of the Constitution.

Article 121.—A Court of Constitutional Guarantees is established, with jurisdiction in the whole of the Republic, which will be competent in the following matters :—

(a) Appeals against the unconstitutionality of the laws.

(b) Appeals for protection of individual rights, when appeals before other authorities should have failed.

(c) Conflicts as to legislative competence, and all others arising between the State and the autonomous regions, and those arising between the latter.

(d) Examination and approval of the powers of the elector-delegates who, conjointly with the Cortes, elect the President of the Republic.

(e) The criminal responsibility of the Head of the State of the President of the Council and of the Ministers.

(f) The criminal responsibility of the President and the magistrates of the Supreme Court, and of the Attorney-General of the Republic.

Article 121.—This Court will be composed of:—

A President designated by Parliament, who may be a Deputy or not.

The President of the Higher Consultative Body of the Republic to which Article 93 refers.

The President of the Court of Accounts of the Republic.

Two Deputies freely chosen by the Cortes.

One representative for each one of the Spanish Regions, elected in the manner which the law may determine.

Two members appointed by election by all the Colleges of Lawyers of the Republic.

Four Professors of the Faculty of Law, designated by the same procedure from amongst all the Faculties in Spain.

Article 123.—The following are competent to appear before the Court of Constitutional Guarantees :—

1. The Ministry of the Attorney-General.

1. Judges and Courts in the case of Article 100.

3. The Government of the Republic.

4. The Spanish Regions.

5. Any person or persons, individually or collectively, even though not directly injured.

Article 124.—A special organic law, voted by the Cortes, will establish the immunities and prerogatives of the members of the Court, and the extension and effects of the appeals to which Article 121 refers.

Article 125.—The Constitution may be reformed :—

(a) On the proposal of the Government.

(b) On the proposal of one-fourth of the members of Parliament.

In either of these cases the proposal will definitely indicate the Article or Articles which may have to be suppressed, reformed or added to ; it will follow the dispositions laid down with regard to laws, and it will require the vote, agreeing to the reform, of two-thirds of the Deputies who have been duly sworn in, during the first four years of constitutional life, and the absolute majority thereafter.

The necessity for reform having been agreed upon on these conditions, Congress will automatically be dissolved and new elections will be convened within a period of sixty days.

The Chamber thus elected, to function as a Constituent Assembly, will decide upon the proposed reform, and will then act as ordinary Cortes.

Transitory Dispositions.

First.—The present Constituent Cortes will elect, by secret vote, the first President of the Republic. For his proclamation he must obtain an absolute majority of the votes of the Deputies who have been duly sworn in.

If none of the candidates should obtain an absolute majority of votes, a new vote will be taken and the person obtaining the greatest number of votes will be proclaimed.

Second.—The law of the 26th of August, 1931, in which is determined the competence of the Commission of Responsibilities, will have a transitory constitutional nature until it has concluded the mission entrusted to it ; and the law of the 21st of October, 1931, will also remain constitutionally in force whilst the present Constituent Cortes continue to exist, if it is not first abrogated by the latter.

OBITUARY

OF

EMINENT PERSONS DECEASED IN 1931.

JANUARY.

3. Joseph Jacques Cesaire Joffre, Marshal of France, was born at Rivesaltes in the Eastern Pyrenees, on January 4, 1851. He was undergoing his military training when the Franco-Prussian War broke out, and he saw active service for the first time as a second lieutenant in the French Artillery during the siege of Paris. Transferring thereafter to the Engineers, he served for many years with distinction in the Colonies; in 1901 he was made a General of Brigade and Director of Engineering at the Ministry of War; four years later he was further promoted to be a General of Division. In 1910 he had the distinction of becoming a member of the Supreme Council of War, and in the following year was selected as Chief of the General Staff, this latter appointment carrying with it in the event of war the command of the North and North-Eastern Group of Armies. It thus fell to Joffre to meet and withstand the advance of the German Army, in August, 1914. Joffre, whose calm courage and resoluteness made him much beloved and trusted by the French troops, was in command at the battle of the Marne and remained in supreme control of the French forces in the field till December, 1915, when he was created a Marshal of France and allocated duties of an advisory nature. During the remainder of the war he was engaged on many missions on behalf of the Allies, and after its conclusion he undertook an extensive official tour, including the United States and Japan. Marshal Joffre, as well as being a soldier, was a distinguished mathematician; in 1918 he was elected to the French Academy. He was made an honorary G.C.B. in 1914 and received the Order of Merit in 1919.

6. Harry Clarke, the Irish artist in stained glass, died from tuberculosis on his way back from Switzerland, in his forty-first year. Beginning his career in his father's firm of church decorators, which he later turned into a private company, he gained a scholarship in the Dublin Metropolitan School of Art, and several years in succession won the only gold medals awarded in the National Competition held by the Board of Education in London. Clarke was the artist for a number of illustrated editions of the works of such writers as Hans Andersen and Edgar Allan Poe, but in his later years concentrated rather on interior church decoration, and in particular stained glass, and windows of his are to be found not only in almost every county of Ireland, but also in England, in Australia, and in Africa. He was elected in 1925 an associate of the Royal Hibernian Academy, and in the following year a full member; his wife, a modern portrait painter, receiving that honour four years after him. The last work completed by Clarke was a window illustrating modern Irish literature, commissioned by the Government of the Irish Free State as a national gift to the new headquarters of the League of Nations at Geneva.

7. **Professor Edward Channing**, aged 74, McLean Professor Emeritus of Ancient and Modern History at Harvard University, was a descendant of William Ellery, a signatory of the Declaration of Independence. Graduating from Harvard in 1878, he was appointed Assistant Professor of History at that University, and subsequently Professor, and had since 1895 been engaged on a history of the United States from A.D. 1000. Of this stupendous work six volumes had already been published, and the seventh, bringing the work down to the end of the nineteenth century, was in the Press at the time of his death. The sixth volume, "The War for Southern Independence," was awarded the Pulitzer prize for the best book of the year 1925 on American history. Among the other historical writings of Channing are "English History for American Readers," with T. W. Higginson (1893); "The United States of America," in the Cambridge Historical Series (1895); "The United States of America, 1765 to 1865," in the Cambridge Modern History (1896); and a "Student's History of the United States" (1898). From the University of Michigan he received the degree of LL.D. in 1921, and in 1926 Columbia University conferred on him the degree of Litt.D. He married Alice, daughter of the Hon. Peter Thacher, of Massachusetts, and had two daughters.

8. **Mrs. Charlotte Maria Toynbee**, widow of the social reformer and economist, Arnold Toynbee, was in her ninetieth year. The daughter of William Duncombe Atwood, a clerk in the Foreign Office, and a great linguist, she had only a few years of married life, but during that time entered to the full into her husband's interests and activities, and shortly after his death she published a volume of his collected lectures and addresses under the title of "The Industrial Revolution." After the loss of her husband Mrs. Toynbee continued to make her home at Oxford, her two principal interests being the welfare of the working classes and women's education. As a Poor Law Guardian she took a deep interest in securing a good start in life for the children who came under their care. Mrs. Toynbee was for no less a period than fifty years treasurer of Lady Margaret Hall, of which she was an honorary fellow, and she did this work with a personal care and interest in every detail which made her services peculiarly valuable.

11. **Giovanni Boldini**, aged 85, was a portrait painter characteristic of an earlier period, when portrait painting was a more common incident of social life than it is now, and he painted a large number of fashionable subjects. Born at Ferrara, and studying first in the Academy at Florence and later in London and Paris, Boldini retained, in spite of his sojourn at other schools, a certain mechanical brilliancy associated with the fifteenth-century painters of his native town. He began as a painter of landscape and scenes of Parisian life, but in later years he achieved a vogue as a fashionable portrait painter. The purchase by the National Gallery of his portrait of Lady Colin Campbell excited much adverse criticism, and the incident was in fact the means of procuring for London a gallery for the exhibition of works of modern foreign artists—the modern Foreign Section of the Millbank Gallery.

— **Michael Morton**, dramatic author, had his first experience of the theatre when, as a youth studying art in London, he acted at the King's Cross Theatre, and assisted the company in creating their own scenery. Proceeding to America with his family at the age of nineteen, he determined to take up acting seriously with a view to the writing of plays, and he appeared at the Madison Square Theatre, New York, in a large range of roles, among them being several Gilbert and Sullivan parts. His first play, "Miss Francis of Yale," a farce of American college life, was staged in 1897 under Frohman's management, and achieved success in London, and for several years after its appearance Morton worked in Paris collaborating with Henri Battaille and others. With Battaille he dramatised Tolstoy's "Resurrection" for Tree at His Majesty's Theatre, and formed a friendship with Tree which led later to his producing Morton's version of "The Newcomes" called "Colonel Newcome." Amongst later successes were "The

Yellow Ticket," " Woman to Woman," " On with the Dance," and a dramatisation of Arnold Bennett's " Riceyman Steps." Morton married Florence, widow of Captain Mainwaring-Dunstan, and had one son, " Peter Traill," with whom he collaborated in several plays.

14. George Thorn Drury, K.C., Recorder of Dover, who died suddenly at the age of 70, was a distinguished member of the English Bar, and a keen student of seventeenth-century literature. The eldest son of Mr. G. T. Drury of Canterbury, he was an exhibitioner at Worcester College, Oxford, of which he was afterwards elected an honorary fellow, and was called by the Inner Temple in 1885. Mr. Thorn Drury, who was a member—and at the time of his death the leader—of the South-Eastern Circuit, gained a large practice, more particularly in running-down cases, both in London and at Assizes, and in 1913 he took silk. In 1920 he was appointed Recorder of Dover, and in 1921 had the honour of being elected a Bencher of his Inn. Among the volumes edited by Mr. Thorn Drury was " A Little Ark, containing sundry pieces of seventeenth-century Verse," issued in 1921, which included several rare pieces and six poems never before printed, and " The Life of Tomaso the Wanderer " (1925), an attack by Richard Flecknoe on Thomas Killigrew, the Restoration Master of the Revels, from a previously unrecorded pamphlet of 1667. Mr. Thorn Drury married Maude Beatrice, daughter of Mr. G. W. Green of Canterbury, and had one son, who fell in the war, and one surviving daughter.

15. Dr. J. R. Tanner, born in 1860, was educated at Mill Hill School and St. John's College, Cambridge, where he was a Lecturer in History since 1883. Tanner was an excellent lecturer and popular with his students; he exercised a personal influence of a high order. He remained at his college as assistant tutor, tutor, and finally tutorial Bursar till 1921, and as a member of the Council of the Senate and of the Press Syndicate took an active part in the affairs of the University. But, his health not being satisfactory, he gave up most of his official duties in 1921 and concentrated on his historical work, retaining only his fellowship. As a historian of the English Constitution Tanner established his reputation by the appearance, in 1922, of his " Tudor Constitutional Documents, 1485-1603," which was followed, in 1930, by " Constitutional Documents of the Reign of James I . " In the meantime his series of lectures on English Constitutional Conflicts of the seventeenth century had been published in 1928. For the last twelve years of his life he was also one of the editors of the Cambridge Medieval History. Apart from his publications on the English Constitution, Dr. Tanner did valuable work in editing naval records, especially those of Pepys and his times. He prepared for the Navy Records Society a descriptive catalogue of the Naval Manuscripts in the Pepysian Library at Magdalene College, Cambridge, which covered four volumes, and he also edited Pepys' Naval Minutes as well as writing " Mr. Pepys, an Introduction to the Diary," and editing in two volumes the private correspondence of the diarist.

19. Dr. Ethel Bentham, an ardent worker in the cause of women and children, and the first woman doctor to be elected to the House of Commons, was a member of the Society of Friends. Although born in London, she spent her early life in Dublin, where she organised a Sunday club for shop-girls. Having studied medicine in London and Dublin and also on the Continent, she began practice in Newcastle-on-Tyne, and there she was active in the constitutional movement for women's suffrage. Coming to London about twenty years ago, she continued to engage in practice, but also took part in public life, serving for many years on the Kensington Borough Council and becoming one of the first women justices. From 1919 onwards, with short intervals, Dr. Bentham sat on the National Executive of the Labour Party, and she was in 1929, after several previous unsuccessful attempts, elected Labour member for East Islington.

21. **Anna Pavlova**, the wife of M. Victor Dandre, and a dancer of genius, had from the age of ten to that of sixteen undergone the rigorous training of the Russian ballet, and the world-wide reputation which she made for herself is perhaps greatly due to the fact that her individualism and inventiveness had always underlying them a complete mastery of technique and traditional form. Pavlova excelled in duet or solo dancing, and such solo pieces as "The Dying Swan" and "The Papillons" showed her genius at its highest.

23. Dr. Alfred Percival Maudslay, archaeologist and traveller, was educated at Harrow and Trinity College, Cambridge, and embarked on a career in the consular service. At the age of 35, however, owing to the attraction which Central America exercised for him, he resigned his post of Deputy Commissioner of Tonga and Samoa and Acting Consul-General for the Western Pacific, and prepared for his first journey through the forests of that region in search of ancient towns. This journey was succeeded by others definitely archaeological in purpose, particular attention being devoted to the highlands of Guatemala, where the traveller believed that Mayan civilisation had flourished at its best. In his seventh expedition his wife accompanied Maudslay, and with her help he published "A Glimpse of Guatemala," and ten years later, also with her help, a translation of "The True History of the Conquest of New Spain" of Bernal Diaz, with introduction and notes published through the Hakluyt Society. He was a prominent member of the Royal Geographical Society, was on the Council of the Hakluyt Society, and was in 1911-12 President of the Royal Anthropological Institute. He was made an hon. D.Sc. of Oxford also, and an hon. Sc.D. of Cambridge. Dr. Maudslay is survived by his second wife, his first wife, a grand-daughter of Gouverneur Morris, having died in 1926.

25. Sir Percy Fitzpatrick, the son of the Hon. James Fitzpatrick, Judge of the Cape Supreme Court, after receiving his education in the home country, returned to South Africa at the age of 21. Engineering first attracted him, but later he threw himself into politics. Speaking the taal, and possessed of many friends among the Dutch, he interested himself deeply in the Uitlander-question. He was author of "The Transvaal from Within" and secretary of the Reform Committee which pressed for the franchise of the Uitlanders, and, as such, was in the thick of the Jameson Raid. Following the capture of the leader, Fitzpatrick was tried for high treason, imprisoned and fined, but shortly after was released on giving his word to abstain from active politics. The Boer War over, he threw himself as energetically into the cause of conciliation as he had formerly into that of opposition, and, as a member of the National Convention, rendered valuable services to the movement for a legislative and administrative union of the colonies, for which he received the K.C.M.G. He claimed to have been the originator of the proposal for the Armistice Day two minutes' silence, a suggestion which was laid before King George V. through the medium of Lord Milner. Sir Percy Fitzpatrick was the author of "Jock of the Bushveld" and "The Outspan," the latter of which deals with his transport riding days.

27. Professor Archibald Leitch, one of the acknowledged leaders in cancer research, was only 42 at the date of his death. Educated at Glasgow University, where he had a distinguished career, he became assistant to Professor Lazarus Barlow in the Cancer Research Laboratories of the Middlesex Hospital. After a short time spent as Director of the Caird Research Laboratory at Dundee he returned to London and became, first house surgeon, and later pathologist, to the Cancer Hospital, and except for the period of the war, when he was in command of a mobile bacteriological laboratory, he spent the rest of his career in close connexion with that institution. In 1920 he was appointed Director of the Research Department, and in 1927 he received the Chair of Experimental Pathology in the University of London tenable at the Hospital. He held also many honorary posts, among them membership of the Leeuwenhoek Vereeniging, an international society of cancer investigators, and the general secretaryship of the International

Cancer Committee. In association with Kennaway, Leitch gained a high reputation by the results of research in connexion with mule-spinners, cancer and cancers induced by tar, and he built up by patient investigation a body of fresh knowledge as to cancer-producing substances. The conclusion to which his study drove him was that cancer was not caused by any one agent but by many.

28. **Dr. Dibelius**, Professor of English at the University of Berlin during the last five years of his life, was a man of vigorous personality and strong Imperialistic sympathies, but always ready to argue with those of another way of thinking. Dibelius was deeply interested in England and the English, and, struck with the ignorance prevailing amongst Germans as to the character and temperament of the British people and British affairs, he published in 1923 an analysis of the British in two volumes. The work was subsequently translated into English.

— **General Henri-Mathias Berthelot**, aged 69, a distinguished French general whose name became familiar in this country during the war, was the son of a gendarme. Commissioned from Saint Cyr in 1883, he served abroad for a number of years. In 1907 he became Secretary to the General Staff and held that post until 1913, when he was promoted to the command of a brigade. At the outbreak of war he became chief aide-de-camp to Joffre; a year later he was given a division, and shortly afterwards received the command of the 32nd Army Corps which captured the famous Labyrinth after very stubborn fighting. He also took part in the second Champagne offensive of 1915 and the defence of Verdun. After a sojourn in Rumania, at the head of a French military mission, he returned to France after the defeat of that country, and commanded the 5th Army during the second battle of the Marne. The close of the war found him once more in the Balkans as Commander-in-Chief of the Danube Arm}'. After the Armistice Berthelot became Governor of Metz and Commander-in-Chief of Lorraine, and he was given a seat on the French Supreme War Council.

30. The Venerable **R. H. Charles**, D.D., Archdeacon of Westminster, was a theological scholar enjoying a wide reputation for learning in his particular branch of study. After a brilliant career at Queen's University, Belfast, and Trinity College, Dublin, the first curacy in which he found himself was St. Mark's, Whitechapel, to which he was ordained in 1883. Soon, however, Charles devoted himself to research into the then little-known period "between the Testaments," making a close study for his purpose of several Oriental languages. In 1893 he published the Book of Enoch translated from the Ethiopic, followed by many other kindred publications, all demanding infinite labour in the collation of manuscripts, culminating just before the war in the issue of "The Apocrypha and Pseudepigrapha of the Old Testament" in two volumes. That he had the ability, rare among erudite scholars, of making his learning accessible to others in a simple form is proved by his "Religious Development between the Old and the New Testament" contributed to the Home Library Series. In 1898 he was appointed Professor of Biblical Greek at Trinity College, Dublin. Associated with Exeter College, Oxford, in 1891, he became, in 1905, Grinfield Lecturer on the Septuagint at Oxford, and some years later Speaker's Lecturer in Biblical Studies; he also held the lectureship in advanced theology at London University. He was, in 1910, elected a Fellow of Merton College, Oxford. He became a Canon of Westminster in 1913, was appointed Treasurer in 1916, and in 1919 Archdeacon.

— **Sir Andrew Balfour**, Director of the London School of Tropical Medicine, added to a wide knowledge of his subject a great enthusiasm for the adequate instruction of those safeguarding the health of tropical communities, and a high ideal of the functions of the school of which he was the first head. Educated at Edinburgh University (where he gained a gold medal), at Cambridge, and at Strasbourg, he served as a civil surgeon in the South African War. He had taken the D.P.H. of Cambridge and the B.Sc. in Public Health at Edinburgh in

addition to his ordinary medical qualification, and after the South African War, he was for more than ten years Director of the Wellcome Tropical Research Laboratories at Khartoum and M. O. H. of that district. During the war of 1914-18 he was from 1916 to 1917 President of the Medical Advisory Committee in Mesopotamia, and later President of the Public Health Commission in Egypt. In 1923 Balfour, who had gained many other distinctions in connexion with research, was selected by the Transitional Executive Committee of the School of Tropical Medicine as its first director. In 1928 he was made a K.C.M.G.

31. William Swan Stallybrass, whose name up to 1915 was Sonnenschein, was senior managing director of the firm of George Routledge & Sons, publishers, and also an author of bibliographical works. Educated at University College School and University College, he founded the publishing house of Swan Sonnenschein & Co. when only 23 years of age, and in 1902 formed a company to take over the business of Routledge & Sons, which under his directorship has issued many valuable publications. Mr. Stallybrass had an extensive knowledge of books and their history, and was author, amongst other works, of "Sonnenschein's Guide to the Best Books," a classified directory of books of science, art, and literature. The first edition was published in 1887 and the third, practically a new edition, containing about 50,000 volumes, more than forty years later, just before the author's death. Other works were "A Reader's Guide to Contemporary Literature," on similar lines to the "Guide to the Best Books," and editions of Esquemeling's "History of the Buccaneers" of the seventeenth century, and of Caxton's "Reynard the Fox."

FEBRUARY.

1. Lord Wittenham of Wallingford, for some years Registrar of the Privy Council, was an enthusiastic supporter of grand opera in England. The second son of Mr. Charles Wilson Faber by his marriage with Mary, eldest daughter of Sir Edmund Beckett, Bart., he was educated at Marlborough and University College, Oxford, and called to the Bar by Lincoln's Inn in 1879. Eight years later, in 1887, before he had had time to make any particular mark at the Bar, he was appointed Registrar of the Privy Council, and for nine years discharged the duties of that office conscientiously and efficiently. Faber sat in the House of Commons in the Conservative interest from 1900 until 1918, as member, first for York City, and later for Clapham. In 1905 he was created a C.B. and in 1918 received a peerage, taking the title of Baron Wittenham of Wallingford. Lord Wittenham had a keen interest in the turf, and had some success as a racehorse owner, but his particular recreation was music. At one time he was closely connected with the Covent Garden Opera House, and was personally acquainted with most of the singers of his time; he was throughout his life enthusiastic about the furthering of opera in England and the stabilising of its financial position.

3. Edmund Hort New, who was in his sixtieth year, was a writer and lecturer on architecture and an illustrator and designer of book plates generally, but will undoubtedly chiefly be remembered for his drawings of the Oxford colleges. These drawings, which display a highly developed decorative sense, are at the same time remarkable for their economy of detail and the beautiful reproduction of surface and texture. The series, most of which have been engraved, have set a high artistic standard in that type of work, and convey the impression of haying come from one who had a strong love of his subject.

5. Air Commodore Charles Rumney Samson, one of the pioneers amongst British aviators, performed many notable feats of daring during the war, being six times mentioned in despatches, and holding the D.S.O., with an added bar, and the C.M.G., as well as the Croix de Guerre with palm. The son of Mr. C. L.

Samson, a solicitor in Manchester, he began his career in the Navy, but was in 1911 selected as one of the four naval officers to be trained as aeroplane pilots. In the following year he was put in charge of the newly formed naval air station at Eastchurch, having already established for himself a reputation for daring and inventiveness. As an example may be cited his having, less than a year after having taken his pilot's certificate, taken off from a launching platform with which he had persuaded the Admiralty to equip H.M.S. *Africa*, a feat never previously achieved in Europe. During the war he served as a wing commander in the Royal Naval Air Service, and after the battle of Ypres his wing were active in carrying out coast raids from Dunkirk on the towns between Nieuport and Zeebrugge, while Samson himself made frequent solitary night raids on the latter port. In 1915 he was sent to Gallipoli, and finally, after service in the Mediterranean, returned to take command at Yarmouth, which was the centre for many anti-submarine patrols. In 1919 he transferred from the Navy to the Air Force, in which he was speedily promoted from Wing Commander to Group Captain, and in 1922 to Air Commodore. His Air Force service was spent for the most part in or near the Mediterranean, and as Chief Staff Officer, Middle East, he headed a memorable flight from Cairo to the Cape and back. He went on the retired list in 1929, and in 1930 he published "Fights and Flights," a record of his adventures. Samson was remarkable for his intrepidity, and had a strong bent for skilful improvisation.

6. Pandit Motilal Nehru, a member of a wealthy Brahmin family, had before the war a large and lucrative practice as an advocate at the High Court of Allahabad, but from the date of the Montagu-Chelmsford reforms he forsook his former more moderate role as a member of the local legislature and became an extremist, joining with Gandhi in his non-co-operation movement, devoting all his wealth to the cause and forsaking Western modes of life. As a mark of his changed views he gave up his luxurious home as headquarters for the Congress organisation, suspended his practice at the Bar, and is said to have lived himself in what had been one of his out-houses. He was active in connexion with the boycott of the Simon Commission, and in response to the challenge of the late Lord Birkenhead that opponents should produce their own plan of political reform, the Committee of the so-called All Parties Conference, of which he was Chairman, produced the Nehru Report, demanding, amongst other things, Dominion Status—a report which provoked considerable opposition from Moslems and Sikhs. Definite promises of Dominion Status not being forthcoming, a boycott of British goods was followed by a campaign of civil disobedience directed to the attainment of complete independence. As a result the Pandit was in July, 1930, sentenced to six months' imprisonment, but released in a few weeks on account of ill-health. Pandit Motilal Nehru was an eloquent orator and clever tactician, and showed great ability as a Swarajist leader in the Central Legislature.

7. Tomasso Tittoni, distinguished as foreign minister and diplomat of the old regime in Italy, was a trusted adviser and personal friend of King Vittorio Emmanuele. His father, a supporter of the nationalist cause, being in exile in England, it was at Oxford that he received his University education. In 1903, while still comparatively unknown, he was invited to become Foreign Minister. On this occasion he held office for two years only but under three successive Governments, the last being defeated on his *modus vivendi* with Spain. After a brief interval as Ambassador in London, however, Tittoni again went to the Foreign Office and gained for himself a reputation for caution and reserve. From 1910 until 1916 he was Ambassador in Paris, and on his resignation on grounds of health he was, in recognition of his services during a particularly difficult time, made a Minister of State. In 1919, being once more Foreign Minister, it fell to him to be prominent in the preparation of the Trianon and St. Germain treaties, and to be the first Italian representative in the League of Nations. This was peculiarly suitable, as he had been since 1912 a member of the Permanent Court of Arbitration at the Hague. From 1920 until 1928 Tittoni continued to take,

part in public life in Italy and, as President of the Senate, did much to preserve its prestige in the face of the advance of Fascism. He was the author of many political, economic, and literary articles, and of several books, including the "Questioni del Giorno," to which Signor Mussolini contributed a foreword. On the constitution of the Italian Academy, Tittoni, who had been obliged to resign the leadership of the Senate on account of health, was appointed to the presidency, which he held till illness compelled his final withdrawal from all public activity.

11. **Sir Charles Parsons**, the creator of the steam turbine and the first engineer to receive the Order of Merit, was the youngest son of the third Earl of Rosse and was born in 1854. His early education he obtained privately, amongst the men from whom he had instruction being some of the most eminent scientists of the time, and after a short term at Dublin he went to Cambridge as a scholar of St. John's College, where he took a high place in the Mathematical Tripos of 1876. His University course completed, he became an engineer pupil at the Elswick Works, and experimented with various inventions. In due course he established his own works at Heaton-on-Tyne, and after working for some years on the adaptation of the turbine to the propulsion of ships, he produced in 1897 a small vessel of the torpedo-boat type, which after some slight further adaptation achieved the then record speed of 34 knots an hour. In the course of a few years Parsons had the satisfaction of seeing the Admiralty and the Mercantile Marine both making use of the new method. In addition to his work in connexion with steam turbines Parsons carried through many other investigations of an experimental nature, some of them for use in the war. One of these in the optical field was the construction of silvered mirrors, which would withstand the great heat developed in powerful searchlights, and which would not be rendered useless if a rifle shot passed through them. Parsons, who held numerous medals from learned scientific societies, was made a K.C.B. in 1911 and received the Order of Merit in 1927.

11. **Sir Arthur Dorman**, Bart., for many years chairman of the bridge-building and constructional firm of Dorman, Long & Co., had personal knowledge of the various processes involved in steel-making. Educated at Christ's Hospital and in Paris, he was, as soon as his school education was completed, apprenticed to an iron-making firm in Stockton, and ten years later, when still not thirty, he founded in partnership with the late Albert de Lande Long, the well-known firm already referred to. This firm later joined forces with Bell Brothers, Ltd., to produce open-hearth steel. Several other concerns, including collieries, were from time to time absorbed by the amalgamation. In 1918 the services of Mr. Long, as he then was, in supplying munitions during the war, were recognised by the conferring on him of a K.B.E., followed in 1923 by a baronetcy. Two sons and three daughters survived him.

14. **Sir Laming Worthington Evans**, aged 62, was a solicitor by profession the eldest son of a solicitor, Mr. Worthington Evans, who practised in the City. In 1890 he went into partnership with his father, and ultimately became head of the firm of Worthington Evans, Dauney & Co. In 1900 he published his "Notes on the Companies Act" of that year, which was very successful, and in 1905 he was appointed a member of the Board of Trade Committee for the reform of the company law. Retiring from practice in 1910 he was elected Conservative member for Colchester, a constituency which he represented continuously up to the year 1928. During the war Mr. Worthington Evans proved his ability in various offices: in 1916 he was Joint Parliamentary Secretary, and in 1918 Financial Secretary to the Ministry of Munitions; in 1919, after a short term as Minister of Blockade, he was made Minister of Pensions. As Secretary of State for War, first in 1921-22 and again in 1924, he proved himself a competent administrator. He was an able and well-informed speaker on the most varied topics both in Parliament and on public platforms. He was created a baronet in 1916 and a G.B.E. in 1921.

19. **Sir Edward Henry, Bart.**, aged 80, for fifteen years Commissioner of the Metropolitan Police, is associated in particular with the finger-print system, which he had a large share in perfecting. Entering the Indian Civil Service in 1871, he rose to the position of Inspector-General of Police in Bengal. On leaving that service after thirty years spent in India, he received the appointment of Assistant Commissioner of Metropolitan Police, in charge of the Criminal Investigation Department, and at the end of two years was appointed Commissioner. While in India Henry had studied closely the finger-print system which has there long been utilised for the identification of documents and the like, and he had evolved a system of classification which had been adopted by the Indian Government for criminal law purposes. His method, when put into use in London, proved highly successful from the point of view of certainty and also of rapidity of classification. As part of his duties Henry accompanied the King and Queen to India in 1911. In the years following his return his health was seriously impaired by the effects of a gunshot wound received in the course of his work, and when the police strike of 1918 was settled he immediately tendered his resignation, which was accepted. At the same time he was awarded a baronetcy "in recognition of distinguished services." He was made a K.C.V.O. in 1906 and later a K.C.B., and in 1911 a G.C.V.O.

23. **Dame Nellie Melba**, the great Prima Donna, was born in Melbourne, of Scottish parents, in 1859, and married at an early age Mr. Charles Armstrong. She had intended to train in London, but, discouraged by her reception there, she went to Paris and to Madame Mathilde Marchesi. Her debut was made in Brussels in the part of Gilda in "Rigoletto," and was thoroughly successful, but on her visit to London shortly afterwards in the part of Lucia di Lammermoor she did not make so complete a conquest of her public. She returned to Brussels, therefore, and proceeded thence to Paris, where she had a warm welcome, and had the good fortune to study the part of Marguerite in "Faust" with the composer himself. Similarly, on a visit to Italy made a little later she had the assistance of Verdi in the study of Aida and Desdemona, and met also Puccini and Leoncavallo. Visits to Russia and to Chicago followed, and the fame of the prima donna became established. It was in America in 1898 that she first sang "La Boheme," which she had studied with Puccini, and which afforded her so great scope for the peculiar qualities of her voice. Before long she won popularity in London also. She was most charitable to philanthropic causes, and the title of D.B.E., conferred on her in 1918, was given largely in recognition of her work for war charities.

25. Lady Frances Balfour, daughter of the 8th Duke of Argyll, by his marriage with the daughter of the second Duke of Sutherland, had strong inherited political principles and a vigorous intellect, and was a notable figure amongst women of the Liberal creed. Her marriage when only twenty-one to a Conservative and a Lowlander, Colonel Eustace Balfour, a brother of the then Mr. Arthur Balfour, did not shake her political or theological opinions, although she took a keen interest in her husband's views and prospects. Lady Frances from the early years of her marriage interested herself in various public causes, more particularly those relating to the amelioration of the conditions of women. She devoted many years to the cause of women's suffrage, was a member of the Royal Commission on Divorce of 1909, and latterly espoused with warmth the cause of women police and women medical students, as well as being identified with numerous philanthropic movements. She was an eloquent platform speaker, and thoroughly outspoken in the expression of her views. Although better known as a speaker, Lady Frances was the author of more than one book, and permanent interest attaches to her Memoirs, published a year before her death under the title "Ne Obliviscaris; Dinna Forget," the motto of the Campbells. She was the biographer also of her sister, Lady Helen Campbell, and of Dr. Elsie Inglis, and the author of a Life of the fourth Earl of Aberdeen. Lady Frances left two sons and three daughters: her husband predeceased her in 1911. She received from Edinburgh

University in 1921 the honorary degree of LL.D., and two years earlier was made an honorary D.Litt. of Durham.

MARCH.

3. **Earl Russell**, grandson of Lord John Russell, whom he succeeded in the title when only twelve years old, was, contrary to family tradition, more interested in science than in politics. He received part of his early education at Winchester and proceeded later to Balliol College, Oxford. As a result of what proved afterwards to be an unfortunate mistake, he was sent down for a year, and, being refused an inquiry, would not return. After a year or two of travel, Russell took up seriously electrical engineering. He also gave nine years to work on the London County Council as a Progressive. In 1905 he was called to the Bar by Gray's Inn and practised for some years on the North-Eastern Circuit. From Liberal views in politics he gravitated to Labour, and, having long been a member of the Fabian Society, he was included in Mr. Ramsay MacDonald's second Labour Government, where his brilliancy as a debater proved of great service to his party. When, owing to the fact that the statutory number of Under-Secretaries in the House of Commons had been exceeded, a reshuffle became necessary, Russell was appointed Under-Secretary for India. As such he proved unconventionally outspoken but on the whole sound in judgment, and his inclusion in the delegation to the Round Table Conference was a success. He presided over two sub-committees, and his geniality and approachableness made him popular. His matrimonial affairs involved him in unfortunate publicity. In 1899, having obtained an American divorce, he married again in the United States, only to find himself charged with bigamy on his return to this country. He pleaded guilty on his counsel's advice, and escaped with three months' imprisonment in the first division after a trial by his peers. In 1916 his second wife obtained a divorce, and he married, as his third wife, the widow of Count von Arnim, authoress of several charming novels. He left no children, being succeeded by his brother, the Hon. Bertrand Russell.

— Lieutenant-Colonel Sir Richard Temple, Bart., an ethnologist and Oriental scholar of a particularly wide range, was born in India eighty years ago, and educated at Harrow and Trinity College, Cambridge, of which he was later elected an Honorary Fellow. He began his career in the Indian Army, and was mentioned in despatches during the Afghan War. Some years later, however, he was made a magistrate, and he spent a quarter of a century in public administration, first in the Punjab and in Burma, and subsequently as Commissioner of the Nicobar and Andaman Islands. In all three areas Temple devoted much time to the study of ethnology and philology. His *Legends of the Punjab* is a mine of information on the ancient ballads and cycles of the province, and again in his annotations to the *"Wideawake Stories"* of the late Mrs. Flora Annie Steel he displayed a rare knowledge of Punjab folklore. He made a particular study also of the language of the Andaman Islands, and was the author of a most scholarly *"Theory of Universal Language as Applied to Savage Languages."* Temple has laid Oriental scholars under a heavy debt by his monthly editorship throughout forty years, at the cost of much labour and pecuniary loss, of the *Indian Antiquary*, which has contained year by year all the fruits of the most recent research into the India of the Dark Ages. Another field in which Temple worked was that of early European travel in the East, in connexion with which he edited several volumes ranging back in date to the seventeenth century. Sir Richard Temple retired from India in 1904 but continued to work on Oriental subjects, and at the time of his death he was midway on a work on Indian Muslim Saints. He married, in 1880, Agnes Fanny, second daughter of the late Major-General Searle of the Indian Army, and left two daughters and one son.

10. **Sir Alfred Robblns** was one of several brothers who entered the world of journalism from the west country. Without educational advantages, his

enterprise and hard work won him success. Leaving school at the age of 14, he was apprenticed to a chemist, and he was just 16 when his first leader, on the death of Napoleon III.—for which he received no payment—appeared in the *East Cornwall Times*. After some months spent at Plymouth and Bedford on provincial papers, he became editor of the *Luton Reporter* at the precocious age of 19. After further training in journalism, obtained on the staff of the *Bradford Observer*, he came to London, and in 1888 secured the position of London Correspondent to the *Birmingham Post*. His work was largely Parliamentary, and he came into touch with many public men, including, in particular, Mr. Chamberlain. In the House of Commons he won a high reputation, both for efficiency and for professional honour. It is recorded that Parnell said of him on one occasion. "I like Robbins; he never leaks." His correspondence was not, of course bounded by politics, and he was held to be one of the best dramatic critics of his time. His methods were thorough, and, being a tireless worker, he spent what hours he could spare at the British Museum, in research which he turned to good account as material for special articles. He was an enthusiastic Freemason and a Past Grand Warden, and was vice-patron of the three charitable institutions maintained by the Order. Robbins' professional activities were not confined to newspaper work; he was also the writer of several plays, of studies of various personalities, including Parnell, and author of "The Early Public Life of William Ewart Gladstone," and a volume on "The Press." He received the honour of knighthood in 1917. He was for two years President of the Dickens Fellowship, and in the world of Fleet Street had been President of the Institute of Journalists and Vice-President of the Newspaper Press Fund.

13. The Rt. Hon. Vernon Hartshorn, a trade unionist of ability and moderation and a distinguished leader of the miners' movement, was born in the centre of the South Wales coal-field in 1872, and had experience of the pits before becoming a miners' official. In 1911 he joined the executive of the Miners' Federation as the representative of South Wales, and he was an important factor in the strike of 1911. After many years' activity in the cause of the miners, he resigned membership of the South Wales Federation on account of a variance of opinion with his colleagues in connexion with the strike of 1920, but later became president. This post he retained until the Labour Government of 1929 came into power. He had entered Parliament in 1918, and from the first showed a full knowledge of the financial difficulties in connexion with coal-mining, and of recent years he had come to be recognised as a thoroughly capable and lucid exponent of the miners' case, with a firm grasp of statistics and how to use them most effectively. He was Postmaster-General in the 1924 Labour Government, and in 1927 was chosen as a member of the Simon Commission. On his return from India on the last occasion he accepted the post of Lord Privy Seal, with special responsibility in connexion with unemployment.

16. Sir Charles Eliot, a diplomat and a linguist of quite extraordinary range, went up to Oxford at the age of 18, and there had a career of unusual brilliance, for, in addition to first classes in the classical schools, he won no fewer than five other scholarships, including the Craven and the Boden Sanskrit Scholarship. From Russia, where he entered upon his diplomatic career, he went, by way of a post at Tangier, to Constantinople, and when still only a second secretary there was chosen to take temporary charge at the Legation at Belgrade. Eliot's travels were most extensive, and included also journeys the length of the Nile and through Central Asia into China. Wherever he made any stay of some duration he attained to a sound knowledge of the language. In 1900 he received the post of Agent and Consul-General for Zanzibar, Commissioner and Consul-General for the British East African Protectorate, and Consul-General for German East Africa, and here he made a special study of Swahili and published, in conjunction with Mr. Hollis, a grammar of the Masai language, together with a book on the language and customs of the race. Resigning in 1904, he did not return to the Foreign Office until 1918, but devoted the intervening years to the cause of

education, spending some of them as first Principal of the University of Hong-Kong. From 1919 to 1926, when he retired, he was Ambassador in Japan. Some of the intimate knowledge of the East and its modes of thought, which he had acquired in his travels, Eliot put at the disposal of others in his books, " Turkey in Europe " (1901), a vivid account of the old Turkey, " Letters from the Far East " (1907), and " Hinduism and Buddhism " (1921), a study of the interaction of these two religions. Eliot was sworn of the Privy Council in 1919, made a K.C.M.G. in 1900, and promoted to G.C.M.G. in 1923. In the same year he was made an honorary fellow of Trinity College, Oxford.

16. Henry Eliot Maiden, aged 82, honorary secretary of the Royal Historical Society, was the second son of Henry Maiden, Professor of Greek at King's College, London, and a historical scholar, who understood both the earlier and the more specialised modern methods of research. He won the Chancellor's medal for English verse at Cambridge, although his Tripos was the Classical, and he was president of the Trinity Hall Boat Club. He was a member of Council of the Surrey Archaeological Society, and for nearly thirty years honorary secretary of the Royal Historical Society, for whom he edited the Magna Carta Papers and the Cely Papers. Other publications were an edition of Sir Francis Palgrave's Miscellaneous Works and a history of Trinity College, Cambridge. Mr. Maiden's special field of study was the local history of Surrey. In addition to editing the Victoria County History he himself wrote an excellent short history of the county.

20. Hermann Müller, German statesman and ex-Chancellor, was 54 at the date of his death. An advocate of the Socialist doctrine since boyhood, he was brought into prominence by his editorship of the *Gorlitzer Volkszeitung*, an important Socialist journal of Silesia, and from 1906 onwards was a member of the Central Executive of the Social Democratic Party, but he did not enter the Reichstag until after the war. When it became obvious that the concerted international peace action by Socialists for which he had hoped was impossible, his party undertook to vote the war credits, and Müller remained in the Majority Socialist Party, whom he represented at the Stockholm Conference and elsewhere, and edited the Socialist *Vorwärts*. He was not in the Cabinet formed by Scheidemann in February, 1919, but became Minister for Foreign Affairs in the succeeding Bauer Cabinet, formed with a mandate to sign the treaty, and in this capacity he had to undertake the duty of being one of the two signatories at Versailles. When the Bauer Cabinet fell as a result of reaction Müller formed a Ministry, and during the few months that it was in office passed through a number of measures of social reform. After eight years out of office he again became Chancellor, this time of a Coalition Cabinet, in 1928, and succeeded with the help of his Minister of Foreign Affairs, Herr Stresemann, in carrying out his aim of securing the evacuation of the Rhineland. Müller's health was uncertain, however, and in March, 1930, he resigned and made way for a Brüning Government, returning, however, after a short rest to the Reichstag as leader of the Socialist Party. Müller was a man of courage in his statesmanship, and he gained the respect of all parties in Germany.

21. Lord Glenavy (James Henry Mussen Campbell), formerly Lord-Chancellor of Ireland and Chairman of the Senate of the Irish Free State, was the son of an inspector in the Dublin Metropolitan Police, and owed his success to his own powers and energy. He was educated at the school of Dr. Stackpoole at Kingstown, of which Carson, a friend to whom he owed much later in life, was also a pupil, and at Trinity College, Dublin, where he won the Vice-Chancellor's gold medal, and was senior moderator and gold medallist in classics, history, law, and political economy. He was called by the Irish Bar in 1878 and made rapid progress, taking silk in 1890. From 1901 until 1905 he was Solicitor-General for Ireland, subsequently becoming for a short time Attorney-General. During the years that followed, he practised at the English Bar, having been called by Gray's Inn some years previously, and now taking silk. But his methods were not so suitable to

practise in this country as **in Ireland and he was not raised to the Bench, although** the suggestion was mooted. In 1916, after a short second term as Attorney-General, he was appointed Chief Justice for Ireland. Two years later, in 1918, he became Lord-Chancellor of Ireland, an office which he held till 1921, when he received a peerage and resigned. He was a devoted supporter of the Church of Ireland and was Chancellor of several Irish dioceses. Lord Glenavy was a Bencher of Gray's Inn as well as of King's Inns, Dublin. He married Emily, daughter of Mr. John MacCullagh, an Irish resident magistrate, and had three sons and one daughter.

24. **Sir Aubrey Vere Symonds**, Permanent Secretary of the Board of Education, was a distinguished civil servant, who had become recognised as an efficient organiser and administrator and a forceful personality. Educated at Bedford School and at University College, Oxford, he entered the Home Civil Service, and was in 1897 sent to the Local Government Board. An interesting opportunity came to him when in 1912 he was chosen to help the late Sir Robert Morant to organise the National Health Insurance Commission. Having returned to the Local Government Board, he was promoted to be Second Secretary of the Ministry of Health on the creation of that department. It was in 1925 that he went to the Board of Education as Permanent Secretary, but in the five years he had given valuable service to his new department, of whose functions he took a wide view. He keenly appreciated the importance of the relations of the Board with the Dominions and with foreign countries, and took a prominent part in the organisation of the British Institute in Paris. He was responsible, also, for important internal reforms in the direction of staff organisation. Sir Aubrey was made a C.B. in 1916 in recognition of work done on war committees, and in 1919 was created a K.C.B.

26. **Timothy Healy, K.C.**, the first Governor-General of the Irish Free State, was all his life a member of the Irish Nationalist Party. Born at Bantry, County Cork, in 1855, Healy was educated in the local schools of the Christian Brothers, and at the age of 16 became a railway shorthand clerk at Newcastle-on-Tyne. In 1878 he migrated to London as a journalist and came under the notice of Parnell. Two years later he entered the House of Commons as member for Wexford, and rapidly showed his intellectual ability, and from that time until 1918 he represented Ireland continuously in the House, sitting for different constituencies. Called to the Irish Bar in 1884, and taking silk in that country in 1899, he acquired an important practice concerned chiefly, to begin with, with the defence in political prosecutions, and became one of the leaders of the Irish Bar. When the Nationalist Party was split in 1890 on the question of Parnell's retaining the leadership after the O'Shea divorce suit, Healy conducted a fierce opposition to Parnell. His Parliamentary career was brought to an end in 1918, when he decided not to stand but to yield his seat to a Sinn Féiner, and in the years that followed he publicly showed his sympathy with that party, who are believed to have been guided more than once by his advice in the negotiations leading up to the treaty. Mr. Healy was a member of the Bar in this country also, being called by Gray's Inn in 1903 and taking silk in 1910. He was a Bencher of both King's Inn and Gray's Inn.

27. **(Enoch) Arnold Bennett**, novelist, playwright, and literary critic, came from the Potteries district of Staffordshire. He did not receive a university education, but proceeded from the Middle School, Newcastle, to, first, provincial news reporting and, later, to a solicitor's office. This last he regarded, however, as incidental merely to his design of becoming a famous writer, and he made use of his leisure throughout for free lance journalism. In 1900 he left this country and lived for eight years in Paris, devoting himself entirely to writing. Being both hard-working and methodical, and at the same time strongly ambitious, he pursued a deliberate plan of launching first slighter work, and paving the way

for what was perhaps his best novel, "The Old Wives' Tale." This book, like several of those which preceded it, had its scene laid in the Potteries district, which was for Bennett the "Five Towns," and it secured for him his public. Its strength, as also that of "Clayhanger," "Hilda Lessways," and other novels of his, such as "The Card" and "The Regent," lay in his extraordinary ability to portray the psychology of the Potteries, and his acute observation and sympathetic portrayal of the dull, drab lives of the class of which he wrote. "The Old Wives' Tale" was followed by a large volume of work, not all of which was equally good. In 1923 appeared "Riceyman Steps," a brilliant study in realism. His latest novel, "Imperial Palace," appeared only a short time before his death. He was the "Jacob Tonson" of the reviews in *The New Age*, and these were later reprinted; other critical works were "The Author's Craft," and "Books and Persons." Of his plays "Milestones" was the only one which achieved a conspicuous success.

29. Margaret McMillan, pioneer of nursery schools, began her life-work for young children at Bradford, where she was a member of the School Board. Under her stimulus public money was tentatively spent on medical treatment, for which the law as yet made no provision, and she tried to convert to her way of thinking Labour meetings of factory workers. After she left Bradford for London Miss McMillan did all she could to focus public attention on the evils of under-nourishment and the need for medical inspection in elementary schools. In 1910 the eminently successful clinic at Deptford was opened, where thousands of ailing children were treated, and Miss McMillan had the pleasure of receiving grants, first for dental, and then for medical treatment. This was the nucleus of the open-air nursery school opened in 1914, the prototype of the open-air school, now a regular feature of elementary education. At the outbreak of war bombs made havoc of this pioneer school, but the founder, far from being discouraged, devoted the rest of her life to the movement now set on its way, till in 1929 a college, called the Rachel McMillan College, in memory of the sister who had shared her work for many years, was opened to train students "in the theory and practice of dealing with young children." In 1930 Miss McMillan, who had already been made a C.B.E., became a Companion of Honour.

31. Lord Stamfordham (Arthur John Bigge), Private Secretary to King George V. and trusted adviser of the Royal Family, was the son of the vicar of Stamfordham in Northumberland, the Rev. J. F. Bigge. While an officer in the Royal Artillery he had in his battery Prince Louis Napoleon, ex-Prince Imperial of France, whose friend he became, and to this friendship he owed his career. The Prince, anxious to see active service, followed Lieutenant Bigge to South Africa for the Zulu War, and while the senior officer was in hospital was killed in an outpost skirmish. He came to the notice of Queen Victoria in connexion with this tragedy, and was appointed by her Assistant Private Secretary, and subsequently, on the death of Sir Henry Ponsonby, Private Secretary, a post which he retained till the death of the Queen in 1901, finally retiring from the Army in 1898. On the accession of King Edward he became attached to the person of the then Duke of York, whom he accompanied on his tour through the British Dominions, and except for a short period immediately after the King's accession, he had been his sole Private Secretary, and had carried out with conspicuous success the responsible duties of acting as the channel of communication between the King and Ministers of all parties. Lord Stamfordham was a Privy Councillor, a G.C.B., G.C.I.E., and K.C.S.I., and held the Legion of Honour and other foreign decorations. He married Constance, daughter of the Rev. William Frederick Neville, and had one son and two daughters.

APRIL.

4. **Andre Michelin**, French industrialist and pioneer in both the cycle and the motor trade, was educated as an engineer at the Ecole Centrale, but before very long left the Ministry of the Interior, where he held a post, to join a brother in the management of a rubber factory which they acquired at Clermont Ferrand. When the pneumatic bicycle tyre had been invented by Dunlop, Michelin elaborated the original conception. The Michelin bicycle tyre made good, and its success was the basis of a business which, with the advent of motor-cars, developed into one of the chief French industrial concerns. M. Michelin extended his interest to any new development in transport. He offered a series of prizes to encourage aviation and was one of the founders of the Aero Club, of which he was for a year president. He was also active in promoting tourist facilities of all kinds in France. He was a leader in factory welfare work and a generous patron of associations for combating disease. For his services to aviation, particularly during the war, M. Michelin was made a Chevalier of the Legion of Honour.

6. **W. L. Wyllie, R.A.**, a well-known marine artist, was the son of an artist; he received his early training at Heatherley's, and later entered the Royal Academy Schools. His picture, "After a Storm: Time Dawn," exhibited in 1869, was awarded the Turner gold medal in landscape for the best painting of a coast scene, and from that time onwards he made the sea his special study. His work included a number of memorable panorama pictures, in which he displayed not only a very thorough knowledge of weather effects but also a singular accuracy in nautical detail. Of these large canvases the earliest is that depicting the Thames below London Bridge, bought by the Chantrey Bequest: others which made a strong impression on the public were "The Passing of a Great Queen," the naval funeral procession accompanying across the Solent the yacht bearing the body of Queen Victoria; "The Battle of Trafalgar," painted for the centenary; and the much more recent "Port of London." During the war Mr. Wyllie showed pictures of the battle-fields, the first of these being a north-west view as from an aeroplane of "The Battle-fields of the Ancre and Somme." Deeply versed in old ships and naval history generally, he gave most valuable assistance to those responsible for the restoration of the *Victory*, and for these services he was made a life member of the Society for Nautical Research. Mr. Wyllie was also a water-colour painter and very proficient etcher, and was the author of several publications on his art.

— **Mary Moore** (Lady Wyndham) represented that rare combination, a comedy actress of charm and a business woman of marked ability. She became best known to the public during her long professional association with Sir Charles Wyndham, in whose productions she played the leading feminine part. Her earliest big success was in the role of Ada Ingot in "David Garrick," which she played both in Germany and Russia as well as in London; later she appeared in plays of, amongst others, Mr. Henry Arthur Jones and Mr. Hubert Henry Davies, both of whom provided her with material admirably adapted to her powers. She was twice married, first to Mr. James Albery, the dramatist, and in 1916 to Sir Charles Wyndham, whose second wife she was.

13. **Sir David de Villers Graaff**, a former Commissioner for South Africa in London, and one of the financial magnates of the Union, entered the butchery business of his uncle at Cape Town at the age of 11. At 18 he had been admitted a partner to the family business, which, greatly owing to its development of cold storage, became highly successful, and much of de Graaff's wealth has been attributed to the supply by his firm of meat to the South African troops. So powerful did the firm become in the trade that at the outbreak of the Great War he practically controlled the meat supply in South Africa. While still a young man he was for two years Mayor of Cape Town; in 1891 he became a member of the Cape Legislative Council, and before the Union he was a Minister without

Portfolio in the Cape Government. As a political figure he is chiefly important as not only a strong supporter, but also an intimate personal friend of General Botha, in whose first Union Cabinet he held the post of Minister of Public Works. He accompanied Botha to London in 1911 for the Imperial Conference, and in the same year received a baronetcy in recognition of his services in connexion with the passing of the South Africa Act.

15. Dr. James Maurice Wilson, who had attained the age of 94, was Senior Wrangler in 1859, and at the age of 23 was already a science master at Rugby under Dr. Temple. He became a house master at 25, remaining twenty years at Rugby, where he did much for the science department, before being appointed head master of Clifton. Before going to Clifton he had, on being ordained, contemplated work as a pastor. In 1890 he carried out this idea by accepting the vicarage of Rochdale and the archdeaconry of Manchester, and after fifteen years of parochial work he in 1905 accepted a residentiary canonry at Worcester in the public life of which city he was a notable force up to his resignation in 1926. With his change of surroundings his subject of study changed, and his sojourn at Worcester saw the publication of an account of the Priory of Worcester and other excursions into ecclesiastical history. In 1925, at the age of 88, he contributed a most interesting concluding section to a collective work on evolution entitled "The Religious Effect of the Idea of Evolution." Throughout his life he had, as was inevitable, been much preoccupied with the relations between scientific and religious truth, and his consistent profession of belief in their reconciliation was one of the remarkable features of his career. Dr. Wilson was for many years a member of the Royal Astronomical Society, was the founder of the Mathematical Association, and a member of the Geological Society of London.

25. Professor C. H. Herford, who died at the age of 78, was one of those associated with the early days of the Victoria University of Manchester, and the first holder of the professorship of English Literature as an independent chair. Having begun his studies at Owens College, he proceeded to Cambridge, where he took a high place in the Classical Tripos and also won the Members' prize for an English essay on "The Romantic and Classical Styles." He also divided the Harness prize for an essay on "The First Quarto of Hamlet." On leaving Cambridge, he studied for some years in Germany; in 1887 he was appointed Professor of English at Aberystwyth, where he spent fourteen years. In 1901 he returned to Manchester University, holding the chair there till 1921, when he retired. Herford helped to found the Goethe Society, and his reputation as an authority on the great German poet extended far beyond his own country; in English literature his strongest subjects were Shakespeare (of which he edited several different editions), the Lake Poets, and Browning. His interests were far from being bounded by literature, however, and he took a most keen interest in European politics. Amongst his latest publications was "The Post-War Mind of Germany." Herford was a strenuous worker as a teacher, and an experienced examiner at many universities, and also for the Civil Service examinations. He married a daughter of the late Hermann Betge, chief postmaster of Bremen, and left a daughter.

26. Sir Edward Clarke, K.C., was a noted figure of Victorian and Edwardian days in the field both of law and politics. Sprung of humble stock, he left school before the age of 14, but continued his studies in evening classes and otherwise, and was one of the competitors for the first Civil Service appointments awarded through open competition. He did not remain in the service, however, and in 1861 he obtained a Tancred scholarship at Lincoln's Inn, by which he was called to the Bar in 1864. Although he was without influence, his earnings at the Bar steadily rose, and he was soon able to give up the newspaper work which had been of assistance to him in the lean days, and could afford, in 1879, to refuse the post of "Attorney-General's Devil" so as to leave himself some leisure for a Parliamentary career. After a six weeks' term as member for Southwark, to which he

failed to be re-elected after the dissolution of 1880, he was elected in July of that year to represent Plymouth in the Conservative interest. From 1886 till 1892 he was Solicitor-General, but he refused a second term of office subsequently owing to the new regulation forbidding private practice. Meantime he had established a very large practice and gained great repute as an advocate, among his most famous cases being the Penge case, the Adelaide Bartlett case, and the Baccarat and Parnell Divorce cases. In 1896 he appeared for the defence in the Jameson case. His attitude towards the war in the Transvaal was unpopular with his constituency, and in 1900 he gave up the seat he had held for twenty-years, devoting himself entirely to his practice at the Bar. In 1906 he returned to Westminster as member for the City, but he was obliged shortly afterwards for reasons of health to resign his seat. Sir Edward remained at the Bar until 1914, completing a term of fifty years' work, and in July of that year he had the honour of being entertained at dinner by the Bench and the Bar. Sir Edward Clarke was the senior Bencher of Lincoln's Inn after King George V., from whom he received congratulations on the celebration of his ninetieth birthday in February, 1931.

27. Sir Byrom Bramwell, who died at the age of 83, was a neurologist of wide repute. He studied at Edinburgh and Paris, taking the M.D. of Edinburgh, with the gold medal. After some years of general practice he became lecturer to the Medical School of Durham University. Thence he returned to Edinburgh in 1879 as lecturer on practical medicine and medical diagnosis in the Extra-Academical School. Other responsible appointments followed in this country, and he became also a corresponding member of neurological societies in Paris, Germany, Russia, and Philadelphia. Sir Byrom made valuable contributions to clinical medicine, and particularly to neurology; his "Atlas of Clinical Medicine" in three volumes, and his "Studies in Clinical Medicine" in eight, have become standard authorities on the subjects which they treat, and his "Diseases of the Spinal Cord" has been translated into French, German, and Russian. He was the holder of honorary degrees from several Universities and was knighted in 1924.

MAY.

1. Sir James Melville, K.C., the son of the late Superintendent Melville, of Scotland Yard, was called by the Middle Temple in 1906, and was in chambers with Lord Hailsham, then Sir Douglas Hogg, until the outbreak of war, throughout the whole of which he served in the Army Service Corps, being mentioned in despatches. On returning to his profession after the war he was successful in building up a good Common Law practice and in 1927 he took silk. A Fabian from the beginning of his career, in 1929 he was elected as Labour member for Gateshead with a large majority, and accepted the office of Solicitor-General in the Labour Government. Unfortunately his health was not equal to the heavy strain imposed upon it, and in the autumn of 1930 he was obliged to resign. Sir James Melville was a Bencher of his Inn.

5. Lieutenant-Commander George Pearson Glen Kidston, the daring aviator whose aeroplane crashed on the Drakensberg Mountains in a storm, began an adventurous career in the Navy. He was admitted to Dartmouth in 1914, and in September of that year, when serving as a naval cadet, he met with the first of the many escapes from death which had been a remarkable feature of his career. In 1917 he became engaged on submarine duty, and he was frequently associated with that branch of the service till 1928, when he retired. While still in the Navy he had been deeply interested in motor cycle competitions, and together with Captain Woolf Barnato he won the Grand Prix at Le Mans. Motor boating also attracted him, and finally aviation, and at the date of the fatality he had only held a pilot's licence two years. Commander Kidston, in the spring of 1931, made a record flight from England to the Cape, part of the object of which was to show the possibilities of rapid air transport, and he was at the time of his

death engaged in negotiating regarding various developments of Union Airways in South Africa, which were to have had his financial assistance.

7. **Sir Charles Prestwood Lucas**, who was in his seventy-eighth year, was a distinguished civil servant and historian of British colonial development. He was educated at Winchester and Balliol College. At Oxford he won the Chancellor's gold medal for a Latin essay, and after taking his degree in Classics entered the Civil Service at the head of the list. At the Colonial Office he enjoyed a reputation for efficiency and keenness, and when Mr. Chamberlain was appointed Colonial Secretary in 1895 Lucas was one of the strong supporters of his Imperial policy. During Mr. Chamberlain's regime he became Assistant Under-Secretary of State and head of the Dominions Department, but he did not receive further promotion. In 1911 he retired, and in the following year was created a K.C.B. in recognition of his services. While still in office he had published an excellent Historical Geography of the British Colonies, and in retirement he wrote numerous other books including "A History of Canada" and "The Partition and Colonisation of Africa," as well as the compendious "The Empire at War," which gave the record of the Colonies and Dominions, particularly in the Great War. Sir Charles Lucas was for many years associated with the Working Men's College in Great Ormond Street. He was unmarried.

9. Professor Albert Abraham Michelson, an experimental physicist with a world-wide reputation for his research into the velocity of light relative to the ether, was born in Prussia of Jewish parents, but was brought up and trained in the United States. He graduated in 1873 at the Naval Academy, where, as instructor in physics and chemistry, he began his experimental work. After some years of study at Berlin, Heidelberg, and Paris, he returned to America as a young man of 30 and was Professor of Physics, first in the Case School of Applied Science at Cleveland, Ohio, then in Clark University, and finally in the University of Chicago. His interferometer, devised for his work on the velocity of light which was so important in connexion with Einstein's theory, was also, when applied to the measurement of the diameter of stars, the means of confirming dimensions previously almost incredible, and of detecting stellar phenomena for which the telescope unassisted was inadequate. Michelson was, in 1907, the first American to receive the Nobel Prize for Science: in the same year he received the Copley Medal of the Royal Society: he was, too, a corresponding member of the British Association, and a Fellow and gold medallist of the Royal Astronomical Society.

— Emil Torday, who died at the age of 56, was a Hungarian, famous as an African explorer, and one of the pioneers of applied anthropology. Educated at the University of Budapest, his native city, he specialised in ethnography and anthropology. As a young man he went to Central Africa and, except for two brief intervals of leave, spent ten years in close association with the natives of the Belgian Congo, acquiring an unusually intimate knowledge of their habits of thought, modes of life, religion, and customs. In his latter years, when the bad health which resulted from an encounter with a rhinoceros prevented him from further travel, he was engaged in co-ordinating all the available information about the non-Arabic African peoples, the results of his work taking the form of a volume, "African Races," contributed to the series of "Descriptive Sociology" founded by Herbert Spencer. His other writings include "Causeries Congolaises" (he was an accomplished linguist in French and German), "On the Trail of the Bushongo," and "Camp and Tramp in African Wilds." Torday was a member of the Council of the Royal Anthropological Institute and a corresponding Fellow of many continental scientific bodies.

11. **Eugene Ysaye**, violinist and composer, began to learn the violin with his father at the age of 5, but, unlike some other great musicians, he displayed no signs of exceptional talent, and did not attract any measure of attention till his playing

at Antwerp impressed Vieuxtemps, who detected the possible makings of a virtuoso in the youth of 18, and obtained for him a Government grant which enabled him to prolong his studies. Ysaye had already studied under Wienanski and now had the advantage of lessons with Vieuxtemps, whose music he made a feature of his recitals. In 1886 he became professor of the violin at the Brussels Conservatoire, and in 1889 made his first appearance in London. In the period between this visit and the outbreak of the war he gradually established a reputation in the chief European countries and his interpretative studies assumed a wider range, and more particularly Bach, Beethoven, and Brahms. To the school of Cesar Franck he became an inspiration, and at the Ysaye Orchestral Concerts founded by him at Brussels he introduced Elgar's first symphony. He gave up his appointment at the Brussels Conservatoire in 1898, but from that date until 1914 he continued to exercise a great influence on music in Brussels as teacher and conductor as well as performer. At the outbreak of war Ysaye came to England and later went to America, where he was for some years conductor to the Cincinnati Orchestra, but in 1922 he returned to Europe. In 1929 he wrote an opera, "Peter the Coalminer," with libretto in his native Walloon dialect, which has been produced both in Liege and later in Brussels.

15. Dr. **Thomas Ashby**, an authority on Ancient Rome and the Campagna, was for many years associated with the British School in Rome, and with the Faculty of Archaeology in the new school founded in 1912, with which the former institution was amalgamated. His father lived in Rome and possessed an excellent collection of books on its history, and while still at Christ Church, Oxford, to which he went up from Winchester in 1893, the younger Ashby became deeply interested in the topography and history of Rome. When the British School was founded in 1901 he became its first student; two years later he became Assistant Director, and in 1906 Director. The work of the combined institution of which he was by that time the head was interrupted by the war, and Ashby did valuable work in connexion with the Red Cross ambulance unit on the Italian front, and later with the British Mission to the Supreme Command, his knowledge of the language and of the mentality of the Italian soldier proving of great service. On the conclusion of war he resumed his post for another three years' period, and on his appointment's not being renewed for administrative reasons he continued independent study on Roman archaeology, contributing largely to learned publications. The results of his exploration of the Campagna are to be found in the volume "The Roman Campagna in Classical Times," and further proof of his scholarship is available in his editing and revision of the unfinished "Topographical Dictionary of Ancient Rome" of the late Professor G. B. Platner, published by the Oxford Press in 1929. Ashby won the Craven Fellowship at Christ Church in 1897; in 1906 he obtained the Conington Prize, and took the degree of D.Litt., and for the last year of his life he was the holder of a research studentship at Christ Church. In 1927 he was elected a Fellow of the British Academy.

17. **Lieutenant-Colonel Henry Treise Morshead, D.S.O.**, Director of the Burma Circle, Survey of India, was a member of the Everest expeditions of 1921 and 1922, being in command of the official survey party attached to the expedition on the first occasion, and a member of the climbing party on the second. Colonel Morshead was educated at Winchester and went from there to Woolwich, being in due course gazetted to the Royal Engineers. After serving for some time in the Public Works Department in India, he was appointed to the Survey, and in 1913 he, with a companion, accomplished some most valuable exploration work on the upper course of the Brahmaputra on the borders of Assam and Tibet. A large area was surveyed for the first time, and several towns were made known the importance of which had been previously unsuspected. For this work he was awarded the medal for specially good exploration work. After serving in France during the war, he went, in 1920, with an expedition to Mount Kamet on behalf of the Survey of India with Dr. Kellas, when the mountain was

ascended to a height of 23,600 feet. The reconnaissance of Mount Everest followed : Morshead was on that occasion responsible for the survey of 12,000 square miles of country not before touched, and his knowledge of Tibet and its people proved of great assistance to the party. As a climber in the second Everest expedition he shared in the breaking of previous records by camping at 25,000 feet, although frostbite prevented his joining the others of the small advance party in their triumph of the following day, when they reached a height of 26,985 feet. He married, in 1917, Evelyn Templer, daughter of Mr. Harry Widdiccombe, and left four sons and a daughter.

21. W. D. Halliburton, Emeritus Professor of Physiology at King's College, London, was one of those physiologists who concern themselves chiefly with the essentials of chemical physiology and the relationship between that branch and pathology, his work being in connexion with the chemical side of nervous activity. In addition to his original work he edited with great success several editions of Kirke's " Physiology," and he was an excellent teacher. Educated at University College School and Hospital, where he was house physician, his first post was that of Assistant Professor of Pathology at University College, a post he held for six years before being appointed to the chair at King's College which he occupied until 1928, when he became Emeritus Professor. He was president of the Physiological section of the British Association in 1902, and of the British Medical Association in 1900 and 1906 ; he was also Baly medallist at the Royal College of Physicians in 1901. Professor Halliburton was a member of the Senate of the University of London, where he graduated M.D., and he held an honorary LL.D. from the Universities of Aberdeen and Toronto.

JUNE.

3. Countess Martinengo-Cesaresco, the daughter of the Very Rev. Henry (Harrington, himself descended from the Italian family of the Belli of Viterbo, was a young woman when the fight for the unity of Italy took place, and she came to have a deep admiration and affection for that country. Through her marriage in 1882 to Count Eugenio Martinengo-Cesaresco, whose father had been a prominent figure in the war for Italian freedom, she entered an illustrious old Italian family intimately associated with the ancient history of Lombardy, and she readily adapted herself to her new environment, taking great pleasure in identifying herself with the traditions of her husband's house while at the same time not losing touch with England. Her " Italian Characters in the Epoch of the Unification " contains the stories of Italian patriots, of many of whom she had personal knowledge ; other Italian studies are a " Life of Cavour " in the " Foreign Statesmen " series, and a " Short History of the Liberation of Italy." In another vein are " The Place of Animals in Human Thought " and " Outdoor Life in the Greek and Roman Poets." In 1913 the Countess was awarded a gold medal for services to education in Italy.

4. **King Husein**, of the Hejaz, the fortieth generation from the Prophet, who during the Great War, to mark the extent of the dominion to which he aspired, assumed the title of King of Arabia, was born in Constantinople in 1856, and, after having completed his education in that city, became assistant to several Emirs of Mecca in succession. Incurring the disapproval of the Porte by his insurrection against their nominee, Husein was obliged to live at Constantinople under a species of surveillance by the agents of the Sultan for a number of years, but, after having gradually regained a measure of favour, he was finally made Emir of Mecca under the revised Constitution in 1908, and did much to pacify the Arabs. While loyal to the Caliph, Husein was opposed to the policy of Ottomanisation pursued by the Committee of Union and Progress. During the Great War he sought the friendship of the British and proclaimed his independence in 1916, afterwards calling himself King of Arabia, This title was, however, never

recognised by the Allies, and their treatment of Arab claims were regarded by him as most unsatisfactory. In 1924, on the deposition of the Ottoman Caliph by the Turkish Grand National Assembly, King Husein was offered and accepted the vacant Caliphate, but was unable to retain it in face of internal faction, abdicating and retiring to Akaba, whence he was removed to Cyprus. There he spent five years of exile, only retiring in 1930 to Amman, the capital of his son, the Emir of the Trans Jordan.

8. **Sir Frederick Milner, Bart.**, who did much for the welfare of returned soldiers, succeeded his brother in the title in 1880, and for sixteen years represented the Bassetlaw Division of Notts in the House of Commons, retiring from Parliamentary life in 1906 owing to the handicap of deafness. While still in the Commons he had been interested in the soldiers returning from the South African War and had realised their disabilities, and when the Great War came he devoted much of his time and energy to attempts to ameliorate the hardships, particularly of the disabled ex-soldiers, and it was greatly as a result of his efforts that the Ministry of Pensions was created. Impressed with the need of homes for shell-shocked cases, he founded the first recuperative hostel at Hampstead, and this project was succeeded by the Enham Village Centre, now associated with Papworth. To the cause of these two institutions Sir Frederick devoted the last twelve years of his life. Sworn of the Privy Council in 1904, he was made a G.C.V.O. in 1930.

9. **William Frederic Denning**, aged 82, had made the stars his lifelong study, and in spite of the fact that his contact with the world of science was almost entirely by correspondence, he held an outstanding place among amateur astronomers. He was the leading authority on meteors, and his observations in connexion with the so-called stationary radiants aroused considerable general interest. He was the discoverer of no fewer than five comets. Among the first to observe the new star which appeared in the constellation Aquila in 1918, he was acknowledged, further, to be the very first to see the Nova which made its appearance in Cygnus in 1920. Mr. Denning held the Royal Astronomical Society's gold medal for his meteoric observations and cometary work, and was the holder of a Civil List pension awarded him in virtue of his contributions to science.

14. **Dr. William Hunt**, a distinguished Victorian scholar and Church historian, was a pupil and admirer of Freeman. After taking his degree in Law and Modern History at Oxford, he was ordained as curate to his father. He subsequently obtained a living of his own in Somerset, but in 1882 left the Church for literature, the first-fruits of his greater leisure taking the form of articles in the "Dictionary of National Biography" and contributions to the *Saturday Review*. In 1888 he published "The English Church in the Middle Ages," and in 1899 appeared his volume on "The English Church from its Foundation to the Norman Conquest," the first of eight volumes on the "History of the English Church," edited in collaboration with the Dean of Winchester, Dr. Stephens—a publication which gave scope for his extensive knowledge of the different aspects of the life of the period. Another large work for the joint editorship of which he was responsible, this time with Mr. Reginald Lane Poole, was "A Political History of England," of which Hunt's individual share was the tenth of the twelve volumes, dealing with the period 1760 to 1801.

21. **Armand Fallieres**, ex-President of the French Republic, spent his early years in practice as a barrister at Nerac, until, after the fall of the Empire, his Republican views led to his election to the Chamber of Deputies and his political career began. Attaining Cabinet rank in due course, he had experience of a varied number of posts, including a short term as Prime Minister, and then, in 1890, entered the Senate, whose president he was from 1899 to 1906, when he was elected President of the Republic. The seven years which followed were important from the point of view of French foreign affairs, and, as president, Fallieres showed a fine detachment from party and a strong desire to maintain

the prestige of France. At the expiry of his tenure of office, in 1913, he retired to the country.

21. **Sir Harry Rudolf Reich el**, the second son of the late Bishop of Meath, was, when still a youth of 27, fresh from a brilliant University career at Oxford, appointed the first Principal of the University College of North Wales. This post he held for forty-three years, devoting the main part of his life to the service of the college, which owed to him much of its material prosperity and academic reputation. A capable administrator and a keen educationist, he tried to secure for the college sound scholarship and an absence of political or religious partisanship. He was on six occasions Vice-Chancellor of the University of Wales, and was from 1907 to 1915 a member of the Consultative Committee of the Board of Education, besides holding degrees from several outside Universities. He was knighted in 1907, and soon after ceasing to be principal he was appointed Emeritus Rector of Bangor College.

26. **Alfred Aloysius Horn**, to use the name by which he was known to the public (there is reason to suppose that his real name was Smith), was the author of "The Ivory Coast in the Earlies," which formed the basis of an elaborate cinematograph film of pioneer African trading called "Trader Horn." According to his own account of his life, he was born near Glasgow, and sailed in 1871 for West Africa, where, already furnished with a working knowledge of Spanish, Portuguese, and French learned at St. Edward's College, Liverpool, he embarked on a most hazardous and adventurous career as a trader in ivory and rubber, and acquired an extensive knowledge of big game shooting, and of natives. He is said also to have taken part in both the Matabele and Boer Wars, and to have served in a minesweeper in the Great War, as well as living in spots as far distant from one another as Mexico and the Persian Gulf. This alleged life of adventure remained unknown to the public until Mrs. Lewis, the South African novelist, came across Horn in Johannesburg and, attracted by his conversation, persuaded him to put his experiences into writing. His books, that dealing with the Ivory Coast already referred to, and "Harold the Webbed," dealing with the Vikings' relations with Julius Caesar, are acknowledged to be entertaining and full of apparently ingenuous philosophy, but in view of Horn's admission that he had always been fond of writing, and that he had done "Comical Columns" for an American newspaper, there is room for scepticism as to whether he was not more versed in the ways of the world than he appeared to be.

29. **John Bailey**, author and literary critic, was a writer whose studies of English masters were full of freshness. Educated at Haileybury and New College, Oxford, he was called by the Inner Temple in 1891. He did not practise law, however, but letters. His earliest publication, "The Claims of French Poetry," showed his familiarity with the literature of that country, but it was mainly by studies of English writers that he made his reputation. Studies in "Some Famous English Letters" was followed by two volumes of collected essays, "Poets and Poetry" and "The Continuity of Letters"; other works included studies of Cowper, Dr. Johnson, and Milton. Mr. Bailey was also a frequent contributor to *The Times Literary Supplement* and other reviews. He had a second claim to public appreciation in the devoted work which he gave to the National Trust. After a connexion extending over more than thirty years he was, in 1923, appointed Chairman of the Executive Committee of the Trust.

— **Sir Hugh Bell**, who was 87 when he died, was one of the leading figures in the industrial life of the late nineteenth and early twentieth centuries, and was regarded as an authority on the coal and iron trades with which he had all his life been closely connected. The elder son of Sir Isaac Lowthian Bell, an ironmaster of Tyneside and a former M.P. for N. Durham, he was educated at Merchiston Castle, Edinburgh, and at Paris and Göttingen, at both of which latter Universities he studied chemistry and mathematics in preparation for a

career of industrial management. His first association was with the Port Clarence Ironworks, of which he became managing director, and in due course he came to hold a similar position in the important public company of Bell Brothers, which, in conjunction with Dorman, Long & Co., undertook the erection of steel works at Port Clarence. On the death of his father he succeeded to the chairmanship of Bell Brothers; he was also a director, amongst other industrial concerns, of Brunner, Mond & Co. and the Horden Collieries, of which last he was chairman, and, on the railway amalgamations, he became chairman, also, of the London and North-Eastern Railway. In spite of his busy life as an ironmaster and colliery-owner, Sir Hugh Bell found time to take a deep interest in the cause of secondary education, more particularly in Middlesbrough, and Armstrong College, of which he was Chairman of Council, owed much to his enthusiastic support. He was a past president of the Iron and Steel Institute, an original member of the Board of Trade Advisory Committee, and an employers' representative on the Board of Trade Industrial Council. His daughter, by his first marriage, was Miss Gertrude Bell, the noted traveller and archaeologist.

29. Dr. Friedrich Sthamer, discharged with dignity and success the difficult duties of the first German Ambassador in London after the resumption of diplomatic relations with that country after the war. A Hamburg lawyer, educated at the Universities of Heidelberg, Leipzig, and Göttingen, who, previous to the war, had been for many years a Burgomaster to the Senate, and had been brought into close touch with Great Britain, he was, in January, 1920, appointed German Charge d'Affaires in London, and, in August of the same year, Ambassador for the German Republic. During his ten years in London he not only won personal respect and liking but did a great deal to ease the resumption of normal relations.

JULY.

1. Dr. Harold Höffding, who for many years occupied the Chair of Philosophy at the University of Copenhagen, enjoyed a wide reputation in his subject. Although in early life he came under the influence of Kierkegaard, the original of Ibsen's Brand, he gradually shifted his viewpoint, and was in his ethical views a Socialist rather than an Individualist. He was best known in this country through his authorship of a history of modern philosophy, and an earlier manual of psychology, both of which have been translated into the chief languages of Europe. He was also the writer of books on the philosophy of religion and religious types of thought, in which he was keenly interested, and likewise on the concepts of totality, relation, and analogy. Dr. Höffding had many friends in England, and held honorary degrees from both Oxford and Cambridge, as well as being a correspondent Fellow of the British Academy and the Aristotelian Society.

3. Sir William Hart Dyke, an intimate friend of Disraeli and a former distinguished athlete, was born a few weeks after the accession of Queen Victoria, and took his degree at Oxford in 1859. He was elected Conservative member for West Kent in 1865, and so began a Parliamentary career which extended over forty years, during all of which time he represented a Kent division. Only three years after entering the House he was appointed a Whip, and in 1874 he became the Chief Whip of his party. In this capacity he was the trusted adviser of Disraeli, who, on his own admission, owed much to his tact and approachability. On Salisbury's coming into power in 1885 Hart Dyke was appointed Chief Secretary for Ireland, and later, in his second administration, Vice-President of the Council. The control of education being then part of the functions of the President, Hart Dyke was charged with responsible duties in this connexion, and to him fell the task of piloting the Free Education Act through the House

of Commons. After his defeat in the Dartford division in 1906 he retired into private life. In sports he claimed to be one of the pioneers of squash rackets. World's rackets champion in 1860, he, as an old Harrovian, formed a committee to provide funds to build a closed racket court at the school, and the idea of the Harrow squash court evolved from the provision out of the balance of the funds collected of "Rugby fives" courts intended for play with a racket and an india-rubber ball.

6. General Sir Neville Lyttelton, Governor of Chelsea Hospital, was the third of the eight sons of the fourth Lord Lyttelton, the brother-in-law and close personal friend of Gladstone. Born in 1854, he was educated at Eton, and, passing into the Army at nineteen, was gazetted to the Rifle Brigade. At the outbreak of the South African War he had attained to the rank of Major-General after a strenuous early career spent partly on active service in India, Egypt, and the Sudan, and partly in work at the War Office, and he was early despatched to Natal. Shortly after his arrival he took over temporarily the command of the Second Division, and later commanded the Fourth. He was in charge of the great hunt after De Wet, and also took part in the final operations against Botha. Ultimately, on the departure of Kitchener from South Africa, he remained to demobilise the forces, his rank being raised in 1903 to that of Commander-in-Chief. When, following on the Boer War, the War Office was reorganised, Lyttelton was appointed the first Chief of the new General Staff and first Military Member of the new Army Council. For his four years of work as Chief of the Staff he was made a full General and received a G.C.B. After a term as Chief of the Forces in Ireland he was, in 1912, appointed Governor of Chelsea Hospital, where he was much beloved.

8. Professor Herbert Wildon Carr, Professor of Philosophy at King's College, University of London, and Visiting Professor at the University of Southern California, did not enter the ranks of writers on philosophy until he was past fifty, his first work being an exegesis and criticism of Bergson, published in 1911. Since 1925, when he accepted his post in California, he had been resident in Los Angeles, but he had been assiduous in taking part in conferences and continued his writing. In "The Unique Status of Man" and in his work on Leibnitz Professor Carr propounded a monadology, in which was substituted for the Supreme Monad of Leibnitz a World Force whose intelligence was, he suggested elsewhere, "evolved to effect a falsification of the real in the interests of action." He co-operated with Sampson and Whitehead in their critical examination of Langevin's application of the time theory of relativity, and on the whole time question he was regarded as one of the acutest thinkers of his day. He was an enthusiastic believer in vitalism and in the self-subsistent energy of all nomads, and so recently as the International Conference of Philosophers, held at Cape Town in 1929, he delivered a striking thesis in reply to Haldane's argument as to the inadequacy of vitalism to express the inner meaning of life and death. From 1916 till 1918 Professor Carr was President of the Aristotelian Society, of whose proceedings he remained editor, and he was an Honorary Fellow of King's College.

11. Dr. Nathan Soderblom, Archbishop of Upsala and Primate of Sweden, was a powerful force not only in the movement for the unity of the Christian Churches but also in the promotion of international understanding with a view to the preservation of peace, being the winner of the 1930 Nobel Peace Prize. Dr. Soderblom, who combined to an unusual degree the energy and practical ability of a leader of movements with the lofty idealism of a religious thinker, was in the pre-war period mainly a scholar, holding professorships at Leipzig and Upsala; in 1914 he was created Archbishop of Upsala, and after the war he took a leading part in promoting co-operation between the Churches and bringing together Christians of the ex-enemy nations. As a result of his efforts the Lambeth Conference of 1920 gave recognition to special relations between the

Swedish Church and the Anglican Communion, and in 1925, with the co-operation of the Archbishop of Canterbury, he succeeded in realising at Stockholm his ambition of an (Ecumenical Church Congress.

16. **William Richard Lethaby, F.S.A., F.R.I.B.A.**, was from 1906 until 1928 Surveyor of the Fabric of Westminster Abbey, and did most valuable work in connexion with the preservation of its ancient monuments. A Soane medallist of the Royal Institute of British Architects and a pupil of Norman Shaw, he was, particularly in the earlier part of his career, a practising architect, but his strength lay rather in his contributions to the literature of architecture. Chief amongst these is his book on Mediaeval Art, in which he traced the development of mediaeval from classic architecture. He published in collaboration with Swainson a book on St. Sophia; other writings include "Westminster Abbey and the King's Craftsmen," "Architecture; an Introduction to the History and Theory of the Art of Building," and "London before the Conquest." Mr. Lethaby was at one time Principal of the London County Council Central School of Arts and Crafts, and later Professor of Design at the Royal College of Art.

27. **Lord Knutsford** (Sydney Holland) will always be associated in the recollection of the general public with the London Hospital, whose chairman he was for nearly thirty-five years. The twin son of the first Viscount, he was intended originally for the Army, but, failing for Woolwich, he went up to Trinity College, Cambridge, where he took his degree in Law, and was called by the Inner Temple in 1879. His real interests were not in the direction of law, however, and he soon became absorbed in business, becoming a director of various companies. A chance visit to a dock labourer in the Poplar Hospital brought disconcerting revelations, and in 1891 he began his work for hospitals by becoming chairman of that institution. Before resigning his position in 1896 he had thoroughly reorganised and rebuilt Poplar Hospital, of which he was subsequently made honorary president. That work completed, his attention was drawn to the necessity for reform at the London Hospital, and to his sympathetic and energetic administration is owed its conversion into the largest and one of the best equipped hospitals in England, with provision for all kinds of modern treatments: it is estimated that he raised for this purpose, directly or indirectly, no less a sum than six million sterling.

AUGUST.

9. Professor George Foot Moore, of Harvard University, was an eminent Old Testament scholar and a pioneer of Biblical research. He was the author of a commentary on the Book of Judges in the International Critical Commentary series (1895) and of a notable group of articles in the "Encyclopaedia Biblica." He made a memorable contribution to the study of comparative religion by his "History of Religions," the first volume of which appeared in 1913 (revised 1920) and the second in 1919. He was the author, also, of a "Literature of the Old Testament," and of a number of articles in reviews on biblical and oriental subjects. Of epoch-making importance was his "Judaism in the First Century of the Christian Era," 3 vols., published in 1927-1930, which attracted great attention both in Europe and America.

16. **Professor Walter Ernest Dixon**, University Reader in Pharmacology at Cambridge, did much to build up a progressive school of pharmacology at that University. An extremely active member of the British Medical Association on its science side, he had been a member of numerous Government committees, such as those on food preservation and drug addiction. He was the author of a large number of papers on research subjects, and had for some years been joint editor of the *Journal of Pharmacology and Experimental Therapeutics*. He was on the editorial committee also of the *Quarterly Journal of Pharmacy and*

Pharmacology and of the *British Journal of Physical Medicine*. Professor Dixon had shortly before his death been appointed Croonian Lecturer at the Royal College of Physicians of London.

21. Lord Stanley of Alderley (Arthur Lyulph Stanley), who died at the age of 55, was the eldest son of the fourth Lord Stanley. He was educated at Eton and Balliol College, Oxford, where he took a second class in Natural Science. From Oxford he went with his militia regiment to the South African War, and, returning home, was called by the Inner Temple in 1901. Following family tradition, he sat for four years as a member of the Liberal Party in the House of Commons, being appointed Parliamentary Private Secretary to the Postmaster-General, Mr. Sydney Buxton, as he then was. He also served on the London County Council. He lost his seat in the Commons in 1910, and was not again successful in being elected. After a short term as private secretary (unpaid) of the Office of Woods and Forests he became, at the age of 38, Governor of Victoria in 1914. On his return to this country in 1920 he retained his interest in Australia, and among the directorships which he held were those of the National Bank of Australasia and of the Australian Mercantile, Land and Finance Company. He was also elected Chairman of Council of the Royal Colonial Institute, now the British Empire Society. His activities were various, his last piece of public work being the Chairmanship of the East Africa Joint Committee.

26. Yuko Hamaguchi, who died from the effects of a shot delivered at close range by a fanatic, was, at the time of the attack, Prime Minister of Japan. Of yeoman parentage, he was adopted by the family of the Hamaguchi, who, as part of his education, sent him to the University of Tokyo, where he studied law and mathematics. In the 1925 Kato Cabinet he was Minister of Finance, and when the Liberal Party, of which he had for some years been a leading member, came to power in 1929 he became Prime Minister, and followed a policy of economy and retrenchment. In 1930 he won a General Election, his Minseito party gaining a majority independent of all parties, and he secured the ratification of the London Naval Treaty. Mr. Hamaguchi had the distinction of being the head of the first real Party Ministry in Japan.

— Frank Harris, aged 75, was for many years a prominent figure in journalism. Returning to England in his early twenties from America, where as a boy he had sought his fortune, he was introduced by Carlyle to Messrs. Chapman & Hall, then the proprietors of the *Fortnightly Review*, and became its editor. In 1894 he bought the *Saturday Review*; *Vanity Fair*, *Modern Society*, and other periodicals followed. He had some success as a short story writer, his first collection, "Elder Conklin," being noteworthy as showing considerable power, as did also its successor, "Montes the Matador." Mr. Harris's editorial activities involved him in difficulty on several occasions, and on one occasion he was sent to prison for contempt of court. In "Contemporary Portraits," also, he offered very personal studies of leading contemporary writers. In the department of drama he was part author of "Mr. and Mrs. Daventry," the plot of which he was said to have purchased from Oscar Wilde, and author of "The Bucket Shop," produced by the Stage Society in 1914. During the war he returned to America, and, becoming violently anti-British, did not again visit England.

29. Dr. William Wairond Jackson, who was 93, was a former rector of Exeter College, Oxford, born in Trinidad and educated at Codrington College, Barbados, whence he went up to Balliol as a commoner. After taking his degree he was for a short time a master at Radley, where he afterwards became a member of Council, but returned to Oxford in 1863 on being elected a Fellow of Exeter College, where he next year became tutor. In 1866 he was ordained. In 1887 he was elected rector of Exeter College, a post which he held with conspicuous success until 1913, both numbers of residents and academic distinctions increasing markedly during his regime. It was largely due to him that money was raised

for the restoration of the Jacobean Hall, and as an administrator he was both efficient and popular. Himself a colonial, Dr. Jackson was specially interested in the Rhodes Scholarship scheme, and his college from the first co-operated with enthusiasm in the arrangements. The question of women's education also appealed to him; he was a member of the Council of Lady Margaret Hall.

31. Sir Hall Calne (Thomas Henry Hall Caine), novel writer and in his earlier years journalist, although the son of a Manxman, was not brought up in the island itself. He did not at first adopt writing as a means of livelihood, but, leaving school at fourteen, he remained for some years ostensibly an architect, occupying his leisure only in journalism and in lecturing in the cause of democracy. He accepted a salaried position in the household of Dante Gabriel Rossetti not long before the latter's death, and it was Rossetti's suggestion that the Isle of Man would provide a good subject for fiction. Shortly after Rossetti's death in 1882 Hall Caine abandoned journalism and embarked on the career of a novelist. Several of his works of fiction, all of which have a strong didactic vein, scored a great success with the public: among these may be included "The Deemster," "The Bondman," "The Scapegoat," "The Manxman," "The Christian," and "The Eternal City," the last named of which was also a success as a drama. True to his life-long championship of those whom he deemed the oppressed, he accepted the invitation of the Russo-Jewish Committee at the time of the Jewish persecutions in Russia and Poland to investigate the facts on the spot, and contributed a series of articles thereon to *The Times*. He similarly intervened in the troubles over the Canadian Copyright Bill of 1895. He took a keen interest in the Isle of Man, making his home there in his later years, and utilising it as a background of his most successful novels.

SEPTEMBER.

1. Professor Andrew Seth Pringle-Pattison, aged 74, was the son of Mr. Seth Smith of Edinburgh, and took the name of Pringle-Pattison as a condition of the bequest to him of the estates of The Haining, Selkirkshire. Educated at the Edinburgh High School and University, where he was a friend of Lord Haldane, he subsequently spent two years in study abroad, mainly at German Universities, as Hibbert Travelling Fellow. After a period spent as assistant to his own old professor of Logic and Metaphysics, Campbell Fraser, he held chairs at Cardiff and St. Andrews, ultimately succeeding Fraser in the Edinburgh professorship, which he occupied from 1891 until 1919. His writings, as well contributions to philosophical reviews and dictionaries as independent work, covered practically the whole range of modern philosophy, his method being that of constructive criticism. He was an apologist of rational theism and the essentials of his own philosophy, which was a form of idealism, were most clearly set out in "The Idea of God in the Light of Recent Philosophy" (1917), in which he avowed that there was to him no philosophical difficulty in life "emerging" from inorganic matter. "The Idea of God" was followed in 1922 by "The Idea of Immortality," and in 1930 by "Studies in the Philosophy of Religion." Professor Pringle-Pattison was an honorary D.C.L. of Oxford and LL.D. of Edinburgh, and a Fellow of the British Academy.

9. Professor Ludwig Joseph (Lujo) Brentano, born in Bavaria on December 18, 1844, was one of the leading political economists of the latter half of the nineteenth century. Early in life he was at University College, Dublin, and later, in England, he made himself thoroughly acquainted with the English Trade Union Movement, on which he became a leading authority ("On the History and Development of Guilds and the Origin of Trade Unions," 1870). English life and English problems interested him throughout his career; one of his latest books, written when he was eighty-five, was an economic history of England in 4 vols. He was a Liberal and a Free Trader all his life; he was

also a most inspiring teacher, and his lectures at Breslau, Strasburg, Vienna, Leipzig, and Munich (1891-1917) attracted numerous students. He had along list of learned works to his credit, principally in the sphere of social politics, wherein he advocated co-operation between employers and workers.

15. Sir James **Balfour Paul**, Fellow of the Royal Society of Antiquaries of Scotland, and for thirty-six years Lyon-King-of-Arras, was responsible for a remarkable renascence of Scottish heraldry. Called to the Scottish Bar in 1870, he was, while in the earlier stages of his career, editor of the *Journal of Jurisprudence*, and for a considerable period Registrar of Friendly Societies for Scotland. Meantime he had published "A History of the Royal Company of Archers" and a "Handbook to the Parliament House," and had begun his principal work of editing with "Registrum Magni Sigilli" (Record Series). His career as Lyon-King-of-Arms lasted from 1890 till 1926, and during that time he not only persuaded many cadets of armorial families to comply with the Scottish law as to matriculation but he also, with the help of the Herald Painter, Mr. Graham Johnston, improved both the historical and symbolical aspects of the arms he granted. Other works of Sir James Balfour Paul included an "Ordinary of Scottish Arms" (1893); a "Memoir and Remains of John M. Gray," in two volumes (1895), and "Heraldry in Relation to Scottish History and Art." Knighted in 1900, he became a C.V.O. in 1911 and in 1926 K.C.V.O. He was also Secretary of the Order of the Thistle and a Commander of the Order of the Hospital of St. John of Jerusalem.

19. Dr. David Starr Jordan, the first President and later Chancellor of the Leland Stanford University of California, as well as placing that foundation among the leading institutions in the United States, did work of value as a naturalist and served on various scientific and educational commissions. He was, while still a young man, appointed President of the University of Indianapolis, where he had been Professor of Zoology, and the unusual ability which he showed in that post led to his appointment at the age of forty as the first President of the Leland Stanford University, the success of which was evident from the very beginning. Dr. Jordan was a strong advocate of world peace, and wrote on that subject as well as on natural history and university education.

20. Miss Joan Beau champ Procter, Curator of Reptiles of the Zoological Society, though only thirty-four years of age, had, through her practical achievements and her writings, acquired a widespread reputation as a naturalist, in spite of the handicap of life-long delicacy. Through her acquaintance with those in other countries who had made a special study of reptiles, she succeeded in extending the collection in the Zoological Gardens, and she had greatly improved the arrangements for the welfare of her charges; not content with anything less than the most thorough treatment possible of their ailments, she had even trained herself to be an expert reptile surgeon. Miss Procter was responsible for the entire planning of the new Reptile House in the Gardens, as well as assisting in designing and constructing the rock work and backgrounds in the Aquarium. From earliest childhood she had had a bent for her special work, and while still a schoolgirl, was in close touch with the work of the Keeper of Reptiles and Fishes at the British Museum, whose assistant and subsequently successor she became. Miss Procter received the appointment of Curator of Reptiles when it was vacated by the appointment of its holder to be director of the Aquarium. She was a D.Sc. and Fellow of several scientific societies.

— **Sir William Simpson**, Director of Tropical Hygiene at the Ross Institute for Tropical Medicine, Putney Hill, was eminent among teachers of tropical medicine. Educated at Aberdeen University, he subsequently took the diploma in Public Health of Cambridge, and spent a period of eleven years as Health Officer at Calcutta. On his resignation he became a lecturer at the London School of Tropical Medicine, a post which he held from 1898 to 1923. He wrote

on cholera, smallpox, and diphtheria, but more particularly on plague. He became interested in this subject while in India, and in 1905 published what was a valuable monograph on it, while as lately as two years ago it formed the theme of his Croonian lectures at the Royal College of Physicians. Following on the publication of his monograph he was a member of various commissions dealing with such subjects as plague in Hong-Kong, yellow fever in West Africa, and dysentery and enteric fever in South Africa. He was the author also of "Maintenance of Health in the Tropics," and was for some time editor of the *Journal of Tropical Medicine*. He was elected a Fellow of the Royal College of Physicians in 1899, was made a C.M.G. in 1909, and received the honour of knighthood in 1923.

24. **Sir Gregory Foster, Bart.**, for many years a member of the Senate of the University of London, and Provost of University College, and subsequently Vice-Chancellor of the University, was an enthusiast in the cause of the spread of education. Graduating from London, where he was Quain student in English, he took his Ph.D. at Strasburg, and after some time spent in work at Toynbee Hall, became head of the department of English Literature at Bedford College. In 1900 he returned to University College as Secretary and Assistant Professor of English Literature, and within a few years had become first, Principal and then Provost, an office which he held till 1929, and in which he showed great administrative ability. Sir Gregory was the author of many educational works, and part editor of the *Whitehall Shakespeare*. He was knighted in 1917, and raised to the baronetage in 1930.

25. **Professor Ulrich Wilamowitz-Moellendorff**, generally held to be the first Greek scholar of his day, was born in 1848, and immediately after the completion of his University education served in the Franco-Prussian War of 1870. After its conclusion he travelled in Italy and Greece, and in 1875 appeared his "Analecta Euripides," which shed light on the various manuscripts of that poet. Professor successively at Greifswald and at Gottingen (1883-1897), he was in 1897 given the Chair of Greek at Berlin, where his lectures attracted great numbers of students. Meantime, besides writing notable articles for various learned periodicals, he made several contributions to the series of *Philologische Untersuchungen*. In 1889 he published an edition of the *Herakles* of Euripides, with a foreword entitled "Einleitung in der Attischen Tragödie," the brilliance of which was immediately recognised, and there followed, on the discovery of Aristotle's "Constitution of Athens," a text of the work edited jointly with Kaibel, and two volumes of constitutional essays under the title "Aristoteles und Athen." Other texts also annotated were those of the *Agamemnon*, the *Choephori*, and the *Hippolytus*, and his latest undertakings included an edition of *Æschylus*. Although much occupied after his appointment to Berlin with the duties of his chair, he was responsible for the new edition of "Poetarum Grecorum Fragmenta," and read numerous papers before the Prussian Academy, including memorable ones on "Die ionische Wanderung," and on certain Milesian inscriptions. In 1878 he married the daughter of the historian Mommsen, and he had a son and three daughters. Wilamowitz-Moellendorff showed the occasional impatience of meticulous accuracy often found in genius, but a remarkable feature of his scholarship was a combination of great learning with voluminous output.

29. **Sir William Newenham Montague Orpen**, the well-known painter and frequent exhibitor in the Royal Academy exhibitions, was the fourth son of the late Mr. A. H. Orpen, of Oriel, Stilorgan, County Dublin, and received his early art education in the Metropolitan School of Art, Dublin, which he entered at the age of eleven. After seven years there he came to the Slade School, London, where he was contemporary with Mr. Augustus John. He was from the first very successful, and in 1910 was elected an A.R.A. Among his best-known and most successful works are his interiors with figures and his unofficial portraits ;

these include "The Fracture," "A Bloomsbury Family," "Homage to Manet," "The Hon. Percy Wyndham"—an early portrait—"Young Ireland"—a girl leaning back into the wind—and "The Dead Ptarmigan," a portrait of himself. Other portraits deserving of particular mention are those of Dame Madge Kendal and Sir Ray Lankester. Orpen was one of the artists chosen by the Government to paint pictures of the war, and the pictures and drawings so executed, numbering 125 in all, were presented by him to the nation. They include both portraits and impressions of war incidents, such as "Bombing at Nîmègue" and "Changing Billets." In 1918 he was knighted, and in the following year elected an R.A. Six portraits of Sir William Orpen in the Millbank Gallery include the portrait of Dame Madge Kendal, a portrait of Lady Orpen, and one of Sir William McCormick. In the sphere of writing, Sir William Orpen was the author of "An Onlooker in France, 1917-1919" and "Stories of Old Ireland and Myself," published in 1924.

OCTOBER.

1. Sir Thomas Upton was born in a tenement house in Glasgow in 1850 and went to work at the age of nine for a remuneration of half a crown a week. At fifteen he emigrated to New York with thirty shillings only in his pocket, but, not meeting with as much good fortune as he had hoped, he returned two years later, no richer save in experience and in understanding of the temper of the American people. His career as a provision merchant began when at twenty-one he opened a small lock-up shop in Glasgow under the counter of which he had to sleep, but, thanks greatly to his organising ability and his enterprise in the way of publicity, he made so rapid a success of his business that in the course of eight years he had made a fortune. In 1889 he entered the tea trade by the purchase of large estates in Ceylon. Nine years later he was knighted, and in the same year he first became famous as an individual by announcing his intention to contest the America Cup with his yacht, *The Shamrock*. The defeat which he suffered was repeated in 1901 and again in 1903. The contest having been arranged on rather different lines, *Shamrock IV* crossed the Atlantic for a renewed attempt which the war deferred. When the postponed race took place, however, Sir Thomas was again defeated, but his yacht won a race on merit, a distinction not before won by a challenger. In 1930 a fifth *Shamrock* was defeated by *Enterprise*, and the American people presented him with a consolation cup as a tribute to his sportsmanship. Sir Thomas Lipton was not married. He was made a K.C.V.O. in 1901 and a baronet in 1901.

5. Dwight Whitney Morrow, formerly American Ambassador to Mexico and United States Senator from New Jersey, graduated in Law from Columbia University in 1899, having previously taken his Arts degree at Amherst, where he was a fellow-student of the future president, Mr. Coolidge. He began his career as a law clerk. At the age of forty, however, he entered the firm of J. P. Morgan & Co., of which he was shortly made a partner. In 1927 he resigned his directorship in the Morgan firm to accept the post of Ambassador to Mexico, a rôle which he filled with singular success. Returning to the United States in 1930, he was elected to the Senate as Republican candidate for New Jersey by a very large majority and was looked upon as a coming president. In 1925 Mr. Morrow was appointed by President Coolidge chairman of the committee to investigate the charges brought against the American Air Service, and in 1930 he came to London as delegate to the Naval Conference, in which he took a leading part. Mr. Morrow's knowledge of higher international finance and the soundness of his judgment were only equalled by his devotion to the public service.

7. Charles Ricketts, painter and stage designer, first became known to the public as a wood engraver, being mainly responsible, with his lifelong friend, Mr. Charles Shannon, the painter, for the woodcuts of the folio magazine,

The Dial, brought out and edited by them during the eighties, as also of the "Daphnis and Chloe" and "Hero and Leander," published in 1893 and 1894. The Vale Press, a Series of octave reprints, including the whole of Shakespeare in separate volumes, followed. He began his career as an artist by exhibiting with the national society formed with Rodin as president, as a painter and modeller in plaster. In 1922, before he had exhibited at the Academy, he was elected an A.R.A., and in 1928 a full R.A. His picture, "The Death of Don Juan," is in the Tate Gallery, and "The Plague" in the Musée du Luxembourg, Paris. During the last twenty years of his life Ricketts applied his art in yet another direction—design for the theatre. Amongst his great successes in that line of work were the settings of "Macbeth," Maeterlinck's "Betrothal," Shaw's "Saint Joan," Oscar Wilde's "Salome," and "Elizabeth of England."

8. **Sir John Monash**, an outstanding leader of the Australian forces during the war, and a victor in the Battle of Amiens, was a Jew by race, and a civil engineer by profession. Originally appointed Chief Censor, he shortly afterwards received the command of the 4th Infantry Brigade of the Australian Imperial Force. With them he saw heavy fighting in Gallipoli, for his share in which he was created C.B. in 1915. He was subsequently in charge, as Major-General, of the training of the new 3rd Australian Division, which he took to France late in 1916. He led the Division with distinction at the Battle of Messines (1917), and, in May, 1918, was chosen to succeed General Sir William Birdwood in command of the whole Australian Corps. The operations of August 8 earned him a K.C.B. After the war Monash was Director-General of Repatriation and Demobilisation, having received a G.C.M.G. in 1919. He wrote "The Australian Victories in France, 1918," and, in his own province of engineering, contributed papers to a number of Australian scientific societies. In 1923 he was appointed Vice-Chancellor of Melbourne University; from 1924 to 1926 he was President of the Australian Association for the Advancement of Science.

10. **Sir Bertram Mackennal**, a sculptor of a very versatile order and the first colonial artist to be made an Associate of the Royal Academy, was the designer of the George V. coinage as well as of a number of public memorials of a varied character. The son of a sculptor, he received most of his training in Paris, where he scored his first great success in a statue of Circe which received a "mention" at the Salon. Amongst the many public works in this country which he executed were the Boer War Memorial at Islington, the pediment of the Local Government Board (as it then was) in Whitehall, the National Memorial to King Edward VII. (in conjunction with Sir Edwin Lutyens), and the War Memorial to members of the Houses of Parliament in the porch of St. Stephen's Hall. In recognition of his coinage work he was made a member of the Royal Victorian Order, and in 1921, after the completion of the King Edward Memorial, he was created K.C.V.O. In the following year he was made a full R.A. (he had been an A.R.A. since 1909). Mackennal's "The Earth and the Elements" (1907) and "Diana Wounded" (1908) were bought by the Chantrey Bequest Fund and are now in the Tate Gallery.

11. **Sir Arthur Ernest Cowley**, Hebrew scholar and Librarian of the Bodleian Library, Oxford, was educated at St. Paul's School and Trinity College, Oxford, afterwards proceeding to the Continent to study modern languages. After some teaching experience at Sherborne School, he returned to Oxford as assistant master at Magdalen College School. Subsequently he became an unofficial assistant to the Bodleian Librarian, till in 1899 he was appointed Sub-librarian in charge of the Oriental side. Three years later he was elected by Magdalen College to a Research Fellowship, which enabled him to devote himself entirely to the cause of learning. In 1919 he became Librarian, and during his tenure of the post did much to improve the administration. He inaugurated also the printed catalogue for all books published after 1919. Meantime he was not neglecting scientific research. With Dr. Neubauer he edited a portion of

Ecclesiasticus in the original Hebrew, and with Professor Sayce some Aramaic papyri; he also produced two revised editions of Gesenius's Hebrew Grammar. In 1909 he published the Samaritan Liturgy in two volumes which had occupied his leisure for many years, and in 1919 "Jewish Documents of the Time of Ezra." He was elected a Fellow of the British Academy in 1914, and in 1926 received an honorary Doctorate of Letters from Cambridge University. He had the honour of knighthood conferred on him as lately as June, 1931.

18. Thomas Alva Edison was an American of Dutch extraction, who had practically no regular school education. When only eleven he was devoting to chemical experiments the time he could spare from working in the family market garden and selling newspapers on the train, on which he had a compartment for apparatus. At fifteen he was producing a newspaper of his own, the first to be printed on a train in motion, and his connexion with railways having given him the opportunity to master telegraphy, he began his technical career at sixteen with a post as telegraph operator on the Grand Trunk Railway. Meantime he had not relaxed his studies, and at twenty-one came his first invention, which proved to be still-born, namely, an electric vote recorder for use in the House of Representatives. This was quickly followed by the first really practical tape machine, which became extensively used, and patents now came thick and fast, no fewer than 1,300 having been applied for in forty years—an average of one in every eleven days. From telegraphy Edison turned to telephony, enormously improving the system based on Bell's invention, and in so doing accidentally discovered the phonograph, from which were developed the gramophone and the dictaphone. He next turned to the improvement of dynamo electric machines and the development of the small incandescent electric lamp, and it was a company formed by him to exploit his system for town lighting that was responsible for the lighting of Holborn Viaduct in 1882 at a cost no higher than that of gas. Other subjects on which he worked included photography, leading to the cinematograph, waterproofing, automobiles, railway signalling, and typewriters. The work which he achieved largely took the form of improvements on appliances first invented by others, although in his task of perfecting he displayed an extraordinary amount of ingenuity, and the range of the problems which he tackled was truly remarkable.

21. Dr. Arthur Schnitzler, dramatist and novelist, was by training a physician, and he never actually relinquished Medicine. Born in Vienna in 1862, the son of a prominent Vienna throat specialist, he came of a distinguished Jewish family, and, like his father, he graduated in Medicine at the University of the Austrian capital at the age of twenty-three. Shortly after there appeared his first book of poems and short tales, and much of his time was thenceforth devoted to literature. His work, both his novels and plays, was masterly, and he quickly came to be regarded as one of the foremost German writers of his generation. A brilliant analyst of character and of emotional aberrations, he was a master of the short story, and became recognised as the artist of Viennese life before the war, receiving, in fact, the title of "the German Guy de Maupassant." Among his plays may be mentioned "Anatol" (1893), "Licbelel" (1895), and "Professor Bernhardt" (1912); while among his novels "Der Weg ins Freie" (1908), "Dr. Graeseler" (1917), and "Fraulein Else" (1924) are well known.

28. The Rev. Dr. Thomas Cecil Fitzpatrick, aged 70, President of Queen's College, Cambridge, was educated at the Bedford Grammar School and entered Christ's College, Cambridge, with a scholarship for Natural Science. After taking an excellent degree in Natural Science he was elected a Fellow of his college, and very shortly afterwards, having been ordained, he became Dean (1890). In 1906 he accepted the office of President of Queen's College, of which he proved a most capable head. He was within a short time elected to the Council and the Financial Board of the Senate, and to the General Board of Studies, and accomplished a great deal of work for the University. Under his rule also, many

important structural alterations were carried out at Queen's College, part of them at his own expense. In spite of all these activities Dr. Fitzpatrick maintained his interest in Natural Science, and while Dean, and for some years afterwards, still found time to act as one of Sir J. J. Thomson's demonstrators at the Cavendish Laboratory. He was twice Vice-Chancellor of Cambridge University, in 1915 and again in 1928.

NOVEMBER.

13. **Lord Delamere** (Hugh Cholmondeley), the pioneer in the development of Kenya Colony, succeeded his father when only seventeen. After serving for some time in the 3rd Battalion the Cheshire Regiment, he embarked on his African adventures. He first entered Kenya, then largely unknown territory, from the north, on a big game hunting expedition in 1897, and in 1901 after wide travel, he took up land there. He was responsible for training in modern agriculture some of the first Africans so taught in Kenya, and he spent large sums on laying pipes to dry areas, and to his activities, foresight, and outlay of capital the colony owes much of the success of its present-day industries. He was from the first a strong believer in the settlement by white men and women of the highlands of Kenya and Tanganyika, and convinced that without a white population making their homes in Africa, white civilisation could not be maintained in the Central area of the continent. As a tribute to his post-war work for the Empire he was, in 1929, created a K.C.M.G. In later years his health was much impaired by mishaps in his early adventurous days as a settler, and his death at the age of sixty-one was the result of long-standing heart trouble. He had one son by his first marriage with Lady Florence Cole, daughter of the fourth Earl of Enniskillen, who showed great courage as a pioneer. Lady Florence died in 1914 and he married, in 1928, Gwladys Helen, daughter of the Hon. Rupert Beckett, who survives him.

15. **Dr. Henry Armitage James**, President of St. John's College, Oxford, and a former headmaster of Rugby, was the son of the Rev. David James, rector of Panteg, Monmouthshire, and went up from the Abergavenny Grammar School to Jesus College, Oxford, afterwards winning a scholarship which took him over to Lincoln College. In 1869 he was elected a Fellow of St. John's College, and two years later he was president of the Union. On leaving Oxford he was for a time assistant master at Marlborough. Having been ordained and having in 1874 taken his B.D. degree, his first headmastership was at Rossall. There he established for himself a very high reputation, both in the school and in the pulpit. The strain telling on his health, however, he resigned after eleven very active years, and in 1886 became Dean of St. Asaph. A few years later his health was so far improved as to permit of his accepting the post of Principal of Cheltenham College. From Cheltenham he passed, in 1895, to Rugby in succession to Dr. Percival, who had been appointed Bishop of Hereford. There he remained for fourteen years, his tenure of the headmastership being regarded as a notable one in the annals of the school. In 1909 he returned to Oxford in the capacity of President of St. John's College, of which he had many years before been made an honorary Fellow. Dr. James was made a Companion of Honour in the Birthday Honours list of 1926. In 1928 he was elected an honorary Fellow of Lincoln's College, Oxford. He was unmarried.

16. **William Albert Samuel Hewins**, an economist noted as the champion of tariffs, was educated at Wolverhampton and Pembroke College, Oxford, where he took honours in the mathematical schools, and then specialised in economics. By the time he was thirty he had already established his reputation as an Extension Lecturer and writer in the North and received the appointment of first Director of the London School of Economics. This post he held from 1895

until 1903, combining with it for almost the whole time the Tooke professorship of Economic Science and Statistics at King's College. One of the few economists not violently opposed to the proposals for Imperial Preference put forward in 1903 by Mr. Chamberlain, he wrote a series of articles in *The Times* espousing the unpopular cause, and not long afterwards became associated with the Tariff Commission set up in support of the campaign. He sat as member for the City of Hereford from 1912 till 1918 and served as Under-Secretary for the Colonies in Mr. Lloyd George's Coalition Government of 1916. He was for some years Chairman of the Empire Development Union and in 1923 was on the Committee set up by Mr. Baldwin to draft a tariff. His latest work in this direction was the completion just before his death of a scientific tariff. In 1924 he published "Trade in the Balance" and in 1929 "The Apologia of an Imperialist." Hewins joined the Roman Catholic Church in 1914 and was a member of the Council of the Lingard Society.

21. Louis Albert Joseph Loucheur, best known in this country as French Minister of Munitions during the war, was an engineer by profession and in 1914 was an important industrialist. Recalled from the army in the autumn of that year to organise the production of war material, he showed singular efficiency, an enormously increased output being obtained. In 1916 he was Under-Secretary of State for Munitions in the new Briand Cabinet and later received the post of Minister, retaining it till the end of the war. After the Armistice Loucheur did further valuable work as Minister of Reconstruction and Minister of the Liberated Regions, showing great energy and ability in restoring the devastated areas. In 1925 he was for a very short period Minister of Finance. In 1928 he became Minister of Labour under Poincare, and retained the post during the three succeeding Governments.

26. Ernest George Pretymann was a strong advocate of the extension of arable agriculture in this country. The eldest son of Canon Frederick Pretymann and great-grandson of Dr. George Pretymann Tomline, tutor and secretary to William Pitt, he was educated at Eton and joined the Royal Artillery, retiring in 1889 when he succeeded to his estates. He was successful in his candidature for the Woodbridge Division of Suffolk in 1895 and was in 1900 appointed Civil Lord of the Admiralty. In 1915 he was Parliamentary Secretary to the Board of Trade, but in 1916 returned to his former post of Civil Lord of the Admiralty, which he held till 1919. He was sworn of the Privy Council in 1917. Pretymann was the mover of the resolution at the Carlton Club meeting of 1923 that the Conservative Party should fight the election as an independent party. He lost his seat in the following year and did not return to the House of Commons. As president of the Land Union and a successful farmer, he consistently urged the national importance of agriculture. He married, in 1894, Lady Beatrice Bridgeman, sister of the Earl of Bradford, and had three sons and three daughters.

27. Major-General Sir David Bruce, a pioneer in Tropical Medicine, was an Australian by birth, but, coming to Scotland as a child, received his education up to fourteen, when he left school, at Stirling High School. At twenty-one he went to the University of Edinburgh where he qualified in Medicine, and, in 1883, joined the Army Medical Service. Bruce's first discovery was made in connexion with "Malta" fever, the germ of which he proved to be transmitted by goats' milk. This early success was followed by his establishing that "nagana" or "tsetse-fly disease," originally supposed to be distinct diseases, depended upon the presence in the blood of a protozoan organism known as a trypanosome and that this organism was carried by the tsetse-fly. In 1903 he went, at the request of the Royal Society, to Uganda to study sleeping sickness, and made his third highly important discovery by establishing that in all cases of that disease the trypanosome was present, that a certain tsetse-fly acted as its carrier, and that the distribution of the disease and of the fly were extraordinarily similar. During the war he was chairman of the War Office Committee on Tetanus and

of the Committee on Trench Fever, and he was from 1917 till 1919 president of the Royal Society of Tropical Medicine. The Royal Society made him a Fellow in 1899 and later awarded him a Royal and a Buchanan medal. He was also Mary Kingsley medallist, Manson medallist of the Royal Society of Tropical Medicine, and an honorary or corresponding member of various foreign learned societies. He married, in 1883, Miss Mary Elizabeth Steele, daughter of Dr. Steele of Reigate, who was his constant companion on his journeys and assisted him in his scientific work.

DECEMBER.

3. Dr. **Thomas James Macnamara**, the first Minister of Labour, a henchman of Mr. Lloyd George and a popular member of the Liberal Party, began his career as a teacher. He came to Ixmdon in 1892 in the capacity of editor of *The Schoolmaster*, the organ of the National Union of Teachers, whose president he became a few years later. Entering the House of Commons in 1900 as Liberal member for what is now N.W. Camberwell, he retained the seat for twenty-four years without a break. First Parliamentary Secretary to the Local Government Board, he was for twelve years Financial Secretary to the Admiralty, and finally, in 1920, Minister of Labour in the Coalition Government. Dr. Macnamara, who was an L.L.D. of St. Andrews, was sworn of the Privy Council in 1911.

— **Paul Marie Theodore Vincent D'Indy**, French composer and director of the Schola Cantorum in Paris, studied composition and harmony from a very early age, and, while still in his teens, was brought to the notice of Cesar Franck, whose ardent disciple he was throughout the rest of his life. His first overture, "Piccolomini," was written in its original form while he was still at the Conservatoire, and a re-written version of it became a few years later the basis of an orchestral trilogy, "Wallenstein," which the composer was invited to conduct with the Queen's Hall Orchestra in 1909. D'Indy was the composer of a large number of orchestral works, including several symphonies, in some of which he used the piano symphonically with the orchestra, and of three operas. Two of these last were performed at Brussels in 1897 and 1903, and the last, "La Légende de St. Christophe," at the Paris Opera in 1920. As director of the Schola Cantorum, founded in 1894 chiefly to commemorate Franck's work, he was a potent influence on many young composers. As a result of the activities of the school folk-songs were discovered, old operas revived, and new works performed throughout France, D'Indy himself collecting a volume of "Chansons Populaires du Vivarais," and editing Rameau and others. He published two volumes of his lectures on musical history and a course of composition, but the public is probably most indebted to him for his vivid biography of Cesar Franck, his master, which has been translated into English by Mrs. Newmarch.

4. **George Frederick Barwick**, late Keeper of Printed Books in the British Museum and superintendent of the Reading Room, served for forty years in the Printed Book Department. He performed valuable services in connexion with the Museum catalogue. Outside of his Museum duties, which included also the valuation of private libraries throughout the country for probate purposes, he took an active share in the activities of the Bibliographical Society, of which he was president for some years. Another cause in which he took a leading part after he retired was the formation of the Association of Special Libraries. He published in 1929 a history of the development of the British Museum Reading Room, drawing on his own and his predecessors' experience.

6. Dr. **Thomas Alexander Lacey**, Canon of Worcester Cathedral and a leader of the High Church party, was an accomplished scholar in mediæval Latin, an authority on minor ecclesiastical usage and an able controversialist. He was

the author of "A Roman Diary," in which he gave an account of the meeting in 1894 of a group of Anglicans, of which he was one, and a representative of the Roman Catholic Church when it was thought possible that the Pope would recognise Anglican orders as valid, and also of a much later book (1917) called "Unity and Schism" which was regarded as marking a step forward towards reunion with non-episcopal bodies. Before being appointed to Worcester, Canon Lacey was, first, chaplain and then warden, of the London Diocesan Penitentiary at Highgate, and while in London was for some years an active member of the editorial staff of the *Church Times*. He was joint editor of the English Hymnal, also, as well as author of some popular hymns.

6. Professor Carveth Read, Emeritus Professor of Philosophy and Comparative Psychology in the University of London, was specially interested in the attempt to reconstruct the psychological history of man, and in his book, "The Origin of Man and His Superstitions," published in 1920, he put forward the theory that the crucial turning-point in man's evolution was when the fruit eater became a flesh eater. A Hibbert travelling scholarship won from Christ's College, Cambridge, took him to Leipzig and Heidelberg Universities. From 1903 till 1911 he held the post of Grote Professor of Philosophy in the University of London, and during the next ten years he lectured on comparative psychology at University College, receiving in 1921 the title of Emeritus Professor. Logic, which he regarded as the best introduction to metaphysics and speculative ethics, was the subject of his first treatise, which was revised in 1898 under the title of "Logic, Deductive and Inductive," and went through seven editions. Other publications were "The Metaphysics of Nature" (1905), and "Natural and Social Morals" (1909).

9. Antonio Salandra, a former Prime Minister of Italy, was an important Liberal politician under the pre-Fascist regime and responsible for the entry of Italy into the war of 1914-18. Being unable to reconcile himself to later Fascist developments, he had of late years taken little part in politics. Born in 1853, he was for some years a Professor of Constitutional Law at his own University of Naples, and was the author of a well-known treatise on that subject. Entering politics in 1888, he had by March, 1914, become leader of the Right and as such was invited to form a Ministry. Although the division of opinion in Italy which dictated the original announcement of neutrality made his position very difficult and he twice offered to the King the resignation of his Cabinet, he remained Prime Minister from that time till June, 1916, war against Austria-Hungary being declared in May, 1915. After the Fascist coup of 1922 Salandra was once more asked to form a Ministry, but, on the refusal of three Fascist deputies to accept office under him, he recommended the King to send for Mussolini. He supported the new regime in its early days, but in January, 1925, passed over to the Opposition. In 1928 he was nominated a Senator, but spoke but rarely in that House.

24. Bishop Rennie McNnes, a few years after being ordained, went out to Egypt, where he spent twenty-five years in missionary enterprise and was particularly successful as superintendent of the work of the Church Missionary Society. In 1906 he became Honorary Canon of St. George's Collegiate Church, Jerusalem, and in 1914 was consecrated in Westminster Abbey as High Bishop in that city. The war preventing his taking up his duties on the spot, he continued to work in Cairo. During the war he started the highly successful Syria and Palestine Relief Fund, and the co-operation with societies of other denominations initiated for that purpose has since proved most valuable in connexion with the colleges in Jerusalem which offer higher education without regard to race or creed and, in so doing, help to bring together the various nationalities in Palestine. Bishop McNnes was the first chairman of the now annual conference to consider questions of mission comity of missionary societies working in Palestine and Syria. He

was survived by Janet Waldegrave, daughter of the late Canon Carr, to whom he was married in 1896, and who accompanied him on all his journeys, as well as by two sons and two daughters.

26. Maurice William Greiffenhagen, portrait painter and decorative designer, though of foreign origin, was born and received both his general and his artistic education in this country. He studied at the Royal Academy School, where he was the winner of both the Armitage prize and the cartoon medal, and he held medals also from Munich and Dresden. Greiffenhagen spent several years as head of the Life Department at the Glasgow School of Art, and was deeply interested in teaching. In 1916 he was elected an A.R.A., the full R.A. following six years later. Of his paintings his portraits of men are generally considered his most successful class of work, but amongst subject pictures "The Idyll," "The Judgment of Paris," "Women by a Lake," and "Dawn" have all been chosen for public galleries. He was the designer of "The Gateway of the North" poster, one of the most successful of these designed by Academicians for the advertisement of railway travel.

27. Alfred Perceval Graves, song writer, who did so much for the popularisation of Irish folk melodies, was by profession an inspector of schools and much interested in educational reforms, although music and literature were the things he loved most fervently. Educated privately at Trinity College, Dublin, where he had a distinguished career, he spent five years on the Home Office staff and, in 1876, was appointed to an inspectorship of schools, which he held till his retirement in 1910. His first poem, a sonnet on Shakespeare, was published in the *Dublin University Magazine* in 1863, and during the year, succeeding his leaving college he contributed to such periodicals as the *Spectator*, the *Athenaeum*, and *Punch*. His success as a song writer was attributable above all to his ability to fit tender lyrics to old Irish folk melodies without sacrificing their correct antique form, and his gift in this direction was first made known to the public by Sir Charles Santley whose performance nearly fifty years ago of Graves' "Father O'Flynn" met with a tremendous welcome. Amongst his numerous publications were "Songs of Killarney," "Irish Songs and Ballads," "Songs of Old Ireland," "Songs of Erin" (in collaboration with Sir Charles Stanford), "Irish Countryside Songs and Ballads" (with Dr. Charles Wood), "The Absentee," an Irish play with music, produced in 1908, and a complete anthology of Irish verse, called "The Book of Irish Poetry." He also wrote the greater part of the books of the Harlech Historical Pageants of 1920, 1922, and 1927, all of which he organised.

28. Arthur von Gwinner, late director of the Deutsche Bank and President of the Baghdad Railway, was at the same time an enthusiastic linguist and an authority on Goethe and on Schopenhauer, who stood sponsor at his baptism. His father, the author of the standard biography of Schopenhauer, was an ecclesiastical dignitary of Frankfurt, and von Gwinner served his apprenticeship in a bank in that city, afterwards spending some years in London and in Madrid. In 1887 he went to Berlin and took over a banking house which he himself conducted. Seven years later his association with the Deutsche Bank began, and soon after being appointed director, he undertook on its behalf to reorganise the Northern Pacific Railway. Before long he became president of the Baghdad Railway and took a part in the negotiation of the conventions with the Ottoman Government, with France and with this country; and in 1910 he was given a seat in the Prussian House of Lords, von Gwinner resigned from his presidency of the Deutsche Bank after the war, except that he acted as deputy president of the advisory council, and, although many of the business concerns in which he was particularly interested, had, like the Baghdad Railway, passed out of German hands, he continued to advise in connexion with a number of companies. In his leisure time he was a collector of coins, and was interested not only in philosophy but also in mineralogy and botany.

29. Sir James O'Connor, who died in his sixtieth year, a former Lord Justice of Appeal in Ireland, had a unique career in that he changed his status in the legal profession on several occasions. The son of Mr. Michael O'Connor of Wexford, he was educated at Blackrock College, Dublin, and admitted a solicitor, afterwards transferring to the Irish Bar, to which he was called in 1900. He took silk in Ireland in 1908, and in 1914 became Solicitor-General of Ireland, being promoted two years later to the post of Attorney-General, when he was sworn of the Privy Council. In 1918 he was appointed a judge of the Chancery Division, a position which he held a few months only, as he was made a Lord Justice of Appeal in the autumn of that year. He remained a Lord Justice till 1924, when, on the change of Government, he retired on pension. In the following year, being desirous of practising in this country, he was called by the Middle Temple and was appointed a King's Counsel. He subsequently, however, was disbarred at his own request both in Ireland and in this country, and in 1929 reverted to his original role of solicitor, being readmitted to that branch of the profession in Ireland in 1929, on condition that he should not exercise a personal right of audience in the courts. Sir James O'Connor was the author of "A History of Ireland, 1798-1924," which appeared in 1925. He married, in 1897, Mary Josephine Kehoe, and had four children.

— Stanley Lane Poole, an archaeologist and Oriental scholar of remarkable industry and versatility, was the great-nephew of E. W. Lane of "Arabian Nights" and lexicon fame, his father being Edward Stanley Poole, of the Science and Art Department of the British Museum. Educated privately, he went up to Oxford in 1874 as an exhibitioner to Corpus Christi College, taking a degree in the history honours school in 1877. He worked for a number of years in the Coin Department of the Museum, of which his uncle was for a time Keeper, and in the nineties he was sent by the Government on archaeological missions to Egypt and Russia. One of his most valuable pieces of work was undertaken at this period, namely, the publication in fourteen volumes of the catalogue of Oriental and Indian coins in the Museum. Another work which absorbed years of his leisure was the editing of the Arabic lexicon left incomplete by E. W. Lane. Following close on these monumental pieces of work came the publication in 1893 of his "Mohammedan Dynasties," a standard book for both scholars and students, of which a new edition appeared in 1925. From 1895 to 1897 he was engaged in archaeological research for the Egyptian Government. Shortly after his return he was appointed to the Chair of Arabic at Trinity College, Dublin, which he occupied till 1904, receiving from Dublin the degree of D.Litt. Other publications of Lane's were "The Art of the Saracens of Egypt" (1886), "Social Life in Egypt," "Studies in a Mosque," and "Arabian Society in the Middle Ages." In quite a different class were his biographies, notably those of Lord Stratford de Redcliffe, British Ambassador in Constantinople, and of Sir Harry Parkes, British Minister to China and Japan, both of which appeared also in a popular edition. Amongst books which had a deservedly great popular success was his volume on mediæval India in the "Stories of the Nations" series, an admirable and scholarly resume., which went into nine editions.

30. Sir George Foster, an ardent Imperialist, and a strong advocate of trade preference within the Empire, was eighty-four at the time of his death. Beginning his career as the Principal of a school, he was for seven years Professor of Classics at the University of New Brunswick. He entered the Canadian House of Commons, in 1882, held the post of Minister of Marine and Fisheries for a period of four years, and in the course of his duties prepared the case for the Joint High Commission to adjust the differences as to deep sea fisheries between Canada and America. A post as Minister of Finance followed, and, after the return to power of the Conservatives in 1911, he was again a Minister, this time of Trade and Commerce, frequently holding the office of Acting Prime Minister. He was a member of the Dominions Royal Commission appointed by the Imperial Govern-

ment in 1912, and, as such, not only attended many of its sittings in England but also visited Australia and New Zealand. He represented Canada also at the Peace Conference in 1919, and attended three different assemblies of the League of Nations. Foster was one of the strongest partisans of the cause of the mother country during the war, and made a memorable speech at the emergency session of Parliament which committed Canada to an active share in the conflict. After his appointment to the Senate in 1921, he continued his political activities and often visited this country, taking every opportunity to preach the doctrine of closer relations. He was also an ardent supporter of prohibition. He was created K.C.M.G. in 1914, and in 1918 G.C.M.G., and was sworn of the Privy Council in 1916.

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