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CHRISTIANITY
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CHRISTIANITY
AND
ECONOMICS

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BY

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• PREFACE

THESE lectures were originally delivered in Oxford in the autumn of 1930 under the auspices of the Henry Scott Holland Memorial Trust. They were given again in America in the spring of 1932 under the auspices of the Hewett Foundation. I took the occasion of this second delivery to enlarge into a separate lecture the short discussion of economic determinism which the original lectures contained. I have ventured to add as an appendix an article published in the *Economic Journal* of 1924 on a very different subject, *The Organisation of Labour in the Army in France during the War and its Lessons*, because I think we can best understand the effects of the cash nexus on industry when we study the working of a system which did without it. Readers will find in that appendix a more detailed justification of some of the views advanced in the third lecture.

LECTURE I

LECTURES given under this foundation are to have for their subject "the religion of the Incarnation in its bearing on the social and economic life of man". In attempting to discuss the relation between Christianity and economics it is well to begin by emphasising the implications for our subject of describing Christianity as the religion of the Incarnation. For the phrase makes clear from the outset that we are to regard Christianity as first and foremost a revelation of the nature and actions of God, and of God as concerned with and revealing himself to man. We are concerned, that is, with eternal truths about God and about human nature. We are to look for inspiration and guidance to the story related in the Gospels, believing that it has eternal significance and therefore significance for us now in the twentieth century as well as for the inhabitants of Palestine in the first.

We are thereby at once committed to accepting the challenge (whose force is perhaps

felt with special intensity in our time) which asks how social teaching delivered to a simple, largely agricultural society two thousand years ago, can possibly have any relevance to our very different conditions. If Christianity is no more than a life set for us to imitate, or a moral and social code for us to follow, that challenge is hard to meet. For in this historically-minded age we are only too well aware of the relativity of social codes, and the comparatively little guidance for our industrial and economic problems which we can derive from simply asking the question "What would Jesus do?" But to consider the relation of the religion of the Incarnation to economics is to consider the bearing on economics of a belief in the nature of God as revealed in the life and death of Jesus of Nazareth. And this belief assumes that in the light of that conception of God the living fundamental principles of the relations of men to one another are set forth, and can therefore be applied to the most diverse historical conditions. It is not my purpose to elaborate these principles. It might be enough to say that our belief in the Fatherhood of God carries with it the implication that we are all children of one father. But I shall set down, to remind us of these eternal principles

whose application to a modern problem we are going to consider, these passages:

“Let this mind be in you, which was also in Christ Jesus: who being in the form of God, thought it not robbery to be equal with God: but made himself of no reputation, and took upon him the form of a servant and was made in the likeness of men: and being formed in fashion as a man, he humbled himself, and became obedient unto death, even the death of the Cross.”

“Ye know that the princes of the Gentiles exercise dominion over them, and they that are great exercise authority upon them. But it shall not be so among you: but whosoever will be great among you, let him be your minister: and whosoever will be chief among you, let him be your servant: even as the son of man came not to be ministered unto, but to minister and give his life as a ransom for many.”

“This is my commandment, that you love one another, as I have loved you. Greater love hath no man than this, that a man lay down his life for his friends. Ye are my friends if ye do whatsoever I command you. Henceforth I call you not servants: for the servant knoweth not what his lord doeth: but I have

called you friends: for all things that I have heard of my Father, I have made known unto you." And lastly, "Inasmuch as ye have done it unto one of the least of these my brethren, ye have done it unto me".

If we can bear these passages in our mind and feel the common spirit which inspires them, we can know what we are about when we are considering the relation of Christianity to economics, and what spirit it is the application of which to economics we are considering.

The second part of my title is more question-begging and needs more elucidation. The phrase of the trust deed, "the social and economic life of man", implies (and my title perhaps goes a little farther in that direction) that there is something in human life which is at least distinguishable from other elements, which we are pointing to when we use the word economic. I say "distinguishable", not separable. Whether and how far the economic life is in any sense separable from the rest of life, is not subject to the same ideals or legislation, is just what we have to try to settle. But it is somehow distinguishable, and we shall try to get clear what it is in life that the term economics is meant to

distinguish, and why, if at all, there should be any special difficulty in settling how the religion of the Incarnation should apply to it.

But before we settle down to this task of trying to understand the nature of economics, we must begin by convincing ourselves that the relation between Christianity and economics needs thinking out, and I propose first to consider a view of this whole question which assumes that such a consideration is unnecessary. There is a view which in some quarters is becoming a commonplace, that our problem of the relation between Christianity and economics has been solved already. The Middle Ages, it is held, knew and practised the right relation between Christianity and economics. Unfortunately we in the modern age have departed from it. We have, largely through the influence of Protestantism, or at least of Puritanism, broken up the mediaeval synthesis. If we want to get right in this matter, all we have to do is to return to that synthesis and all will be well.

I think that view of the matter is profoundly mistaken. That something happened to alter for the worse men's view of the relevance of Christianity to economics, and that in consequence there has been in

modern times a false separation between Christianity and economics, cannot, I think, be denied; but it is, I think, equally true that a mere return to the mediaeval synthesis will not help us. I am going to suggest that the easiest way to convince ourselves of this is to consider briefly the analogous problem of the relation of Christianity to politics. For there too the modern world departed from the mediaeval synthesis. There that departure involved at first a mistaken and disastrous separation between Christianity and politics. But there the problem has been solved, not by a return to the mediaeval synthesis, but by the discovery of a new synthesis different from and more fruitful and, I believe, more Christian than the old.

I can best state the problem with which I am concerned by quoting certain passages in Mr. Tawney's great work, *Religion and the Rise of Capitalism*. Mr. Tawney summarises the distinctive note of the change of opinion, which he deplores and which the Churches vainly sought to check, thus: "It is in the conception of the place to be assigned to economic interests in the life of society that change has in recent centuries been most comprehensive in its scope and most sensational

in its consequences. The isolation of economic aims as a specialised object of concentrated and systematic effort, the erection of economic criteria into an independent and authoritative standard of social expediency, are phenomena which, though familiar enough in classical antiquity, appear at least on a grand scale only at a comparatively recent date in the history of later civilisations." One cause of this change Mr. Tawney finds in "the contraction of the territory within which the writ of religion was conceived to run", and he summarises the change in the following words: "When the age of the Reformation begins, economics is still a branch of ethics, and ethics of theology: all human activities are treated as falling within a single scheme, whose character is determined by the spiritual destiny of mankind: the appeal of theorists is to natural law, not to utility: the legitimacy of economic transactions is tried by reference, less to the movements of the market, than to moral standards derived from the traditional teaching of the Christian Church. The Church itself is regarded as a society wielding theoretical and sometimes practical authority in social affairs. The secularisation of political thought, which was to be the work of the next

two centuries, had profound reactions on social speculation, and by the Restoration the whole perspective, at least in England, has been revolutionised. Religion has been converted from the keystone which holds together the social edifice into one department within it, and the idea of a rule of right is replaced by economic expediency as the arbiter of policy and the criterion of conduct. From a spiritual being who, in order to survive, must devote a reasonable attention to economic interests, man seems sometimes to have become an economic animal, who will be prudent, nevertheless, if he takes due precautions to assure his spiritual wellbeing.

“The result is an attitude which forms so fundamental a part of modern political thought that both its precarious philosophical basis, and the contrast which it opens with the conceptions of earlier generations, are commonly forgotten. Its essence is a dualism which regards the secular and the religious aspects of life, not as successive stages within a larger unity, but as parallel and independent provinces, governed by different laws, judged by different standards, and amenable to different authorities. . . .”

We may notice indeed that the actual work-

ing out of the relation between Christianity and economics in the Middle Ages does not meet with Mr. Tawney's unqualified approval. In the first place he accuses mediaeval thought of not adapting itself enough to changes in the economic problems with which it was confronted.

“For the problems involved in the association of men for economic purposes on the grand scale which was to be increasingly the rule in the future, the social doctrines advanced from the pulpit offered in the traditional form little guidance. Their practical ineffectiveness prepared the way for their theoretical abandonment. They were abandoned because, on the whole, they deserved to be abandoned. The social teaching of the Church had ceased to count, because the Church itself had ceased to think.”

In the second place, we may remark how Mr. Tawney notes, not once but several times, the comparative ineffectiveness of the Church's teaching, and the ineffectiveness of her attempts at enforcing her teaching by her discipline. We may perhaps suggest that that was due not simply to the inevitable gap between ideal and practice, but to the fact that one set of men, the clergy, were laying

down laws for another set of men, instead of teaching these men to lay down laws for themselves.

The change, as Mr. Tawney describes it, is a change for the worse. Of that there is no doubt. But I suggest that his description merges two points of view which do not necessarily coincide—(1) a doctrine that the writ of religion does not run in the sphere of economics and industrial relations (an obviously wrong view, which merits all Mr. Tawney's indignation), and (2) a doctrine that the mediaeval synthesis which Mr. Tawney so eloquently describes allowed too little independence to the political and economic life of man. This second doctrine is an assumption not of the absolute but of the relative independence of politics and economics on religion, and most certainly of the independence of political and economic organisation on religious organisation. In this form it is common to most modern thought. It is shared by almost all those who repudiate the doctrine that the writ of religion does not run in economics, as well as by such as maintain that doctrine. The fact that this second doctrine is accepted in modern society as it was not accepted in mediaeval society does not necessarily imply

a change for the worse. I hope to show that it may be regarded as a change for the better. It is only too easy a transition from the second doctrine, which I wish to defend, to the first doctrine, which is indefensible. The Puritans knew, as the *Pilgrim's Progress* tells us, that, from the Delectable Mountains themselves, "there was a by-way to Hell, a way that Hypocrites go in at", and Mr. Tawney cannot believe more than I do that if we take that by-way, in Hell we find ourselves. Yet, for all that, I believe there is a position from which relative independence of economics on religion may be a change for the better.

Mr. Tawney in this passage is largely concerned with the independence of economics. But he makes that independence part of a process which he describes as "the secularisation of political thought". What has happened is that both politics and economics have escaped from the mediaeval synthesis which Mr. Tawney so lovingly describes. We can appraise the change best if we consider it as a whole, not simply in its economic aspect. When we consider the new independence of politics on religion, we see that the departure from the mediaeval synthesis *may* be a change for the worse. But the change for the worse may

only be a stage which leads to a change for the better.

The secularisation of political thought marked the beginning of the modern State. This secularisation of political thought first found expression in an extreme form in Machiavelli, and later in Hobbes, in a doctrine which made politics immoral, or at best amoral—certainly something with which religion had little to do. The subordination of politics to religion, or more exactly of political to religious organisations, had had such vile results that there was much excuse for the extremist reactions of Machiavelli and Hobbes which made them “throw away the baby with the bath”. Utilitarianism is at least as near the spirit of Christ as the Thirty Years’ War. But however that may be, no one has really any doubt about Machiavelli and Hobbes being not types but perversions of the modern view of the relation between politics and ethics. The real inspirer of the modern theory of the State is Rousseau. He founds the State anew firmly on morality, though he does so in a distinctively modern way, by transforming the doctrine of natural law into a doctrine of natural rights. From Rousseau onwards the main current of political theory has been

agreed in repudiating Hobbes' utilitarian views of the State. The immoralism of the first repudiation of the mediaeval synthesis and of the secularisation of the State was in political theory an infantile disease, easily detected. Not that there has been entirely wanting a view which makes an absolute separation between religion and politics. It is held by Marxians; but it is held there within a theory which does not believe in either religion or politics, and is therefore for our purposes negligible. It has gone, too, with an extreme form of otherworldliness in religion, and with some forms of German Pietism. It is found at the present day in connexion with the teaching of Karl Barth. But it has never really counted for much or become a prevailing doctrine. It never took hold of those circles in English society which succumbed entirely to the extreme doctrine of the inapplication of religion to economics.

This is the puzzle in our problem. Politics cut loose from morality, only to be brought back to it in another less rigid relation. But economics seems to feel no such need of a return. What we all recognise to be a perversion of political independence is claimed by some to be the normal and proper form of

economic independence. What is the explanation of this? The general secularisation of political thought cannot be to blame for the fact that this perversion of relative independence attacks economics with far greater force and persistency than it does politics. What is there about economics which makes even good men sincerely convinced that religion should leave it alone? The explanation, I submit, is not to be found in the blackness of the human heart, or even in the strangeness of the Puritan conscience, but somehow in the nature of economics. The contrast between politics and economics in this regard reflects itself curiously in the modern history of political and economic theory. Hobbes invented what is called the economic man, a being who is only concerned for what will keep him alive, and who regards all morality and law as merely a means to that end, as having no value or inherent sanctity of their own. This conception of human nature has proved entirely inadequate in political theory, and from Locke — even more decisively perhaps from Rousseau — onwards, political theory has found that the State can only be explained by giving full recognition to the reality of man's moral purposes. In spite of occasional

backslidings, this has been the prevailing judgement of political theory: that if you fail to recognise moral purposes and ideals of some sort the political facts cannot be explained or handled. But the materialist view of human nature whose failure in politics was so obvious was revived by the Classical Economists, and in the economic sphere, strangely enough, it did seem to work. The economist no doubt might admit that the economic man was only an abstraction, and allow that his concrete prototype was occasionally more humane, just as the political theorist would admit that the concrete embodiment of his abstraction was moved by other things than political ideals. But the contrast remains. The economist's account of human nature had in the sphere of economics a success as remarkable as was the complete failure of the same account of human nature in politics. What is there in economics which produces this curious result?

We shall be better able to understand why economics was thought to be different from politics, if we first look more closely at how politics, after the break-up of the mediaeval synthesis, re-established its connexion with religion. For that will probably tell us the

conditions as well as the advantages of the new relation, and the dangers which beset it. If we agree first that the new relation is preferable to the old, we may understand first that it is desirable that economics should attain the same relation; that we are not shut up to the dilemma between the mediaeval synthesis and that complete indifference which Mr. Tawney deplors. We may also, when we have seen what the new relation between politics and religion involves, understand why men came to think that economics does not need, after establishing its independence, to be brought back again into relation with religion; and we shall see how that view is mistaken. We shall find ourselves, in considering the political problem, to be confronted with the fundamental problems of reconciling moral freedom with authority, and the conscience of the common man with the guidance of the expert. To consider how such problems have been solved in principle in politics, is certain to help us when confronted with the same problems in the more complicated sphere of economics.

The secularisation of politics, I have said, marked the beginning of the modern State. All kinds of forces, good and evil, went to the making of the modern State. It is sometimes

said that the prevailing religion of the modern State is rationalism, and there is more truth in the statement than there ought to be. But the main problem with which modern political theory in the seventeenth and eighteenth centuries is occupied, is how to reconcile the necessary authority of the State with the new-found authority of the individual conscience. Dr. Figgis has pointed out how the failure of the attempt to establish religious conformity in France and England led to the necessity of founding the State upon the principle of religious toleration. It is the fashion to say that toleration is the child of indifference, but the people who made toleration an essential principle of the State were men like Roger Williams, who, far from being indifferent, had a real passion for religious liberty. If we are going to take the principle of liberty of conscience seriously, it can no longer be the business of the State, either on its own account or on behalf of the Church, to enforce moral discipline. For we shall have to say that in the truest sense the good life cannot be enforced. It is the concern of the individual. The individual no doubt will need the support and encouragement of law and the Church, but he may easily do all the law and society

require of him and yet know before God and his own conscience how sorely he has come short.

The best expression of this attitude to conduct is found when Kant declares that the principle of the autonomy of the will is the supreme principle of morality: that we are bound to obey the law of duty because it is the legislation of the rational will within us. We are to regard ourselves as members of a kingdom of ends. We are to treat humanity, in our own person and in that of others, always as an end—never only as a means. Kant says somewhere that in moral questions he was put right by Rousseau, for Rousseau taught him the dignity of the ordinary man, and his moral theory is based on a determination to uphold the simple goodness of the unlettered saint.

The far-reaching consequences of this repudiation of external moral authority can be seen best if we contrast the view of society it implies with Plato's ideal. For Plato is the greatest exponent of the doctrine that the good life depends on knowledge and insight so profound that it can only be the possession of a few choice spirits. He therefore directs the whole organisation of the State to secure

that the vision of the philosopher-king shall direct and mould the lives of all the citizens. On that model all authoritative systems of morals are founded.

Contrast with it a society which believes, even ever so fitfully, in the principle of the inward light, which holds to the truth that God deals with the individual conscience; a society where the principle that we must obey God rather than man means not that we must obey the Church rather than the State, but that we must on occasion obey the guidance of our own conscience to the disregard of all organised authority: where men hold that no organisation can secure perfect moral guidance, for the wind of the spirit bloweth where it listeth.

Now all kinds of things can be said of the disadvantages of such a society—that it is anarchical and disorderly, that its liberty easily becomes licence, that it makes government very difficult, that it keeps alive only through constant vigilance, that it puts too much responsibility on the ordinary man, etc.; but no one can say it is unchristian.

If our view of society is anything like this, we are committed at once to a consequent view of the nature of law in society. We shall

no longer suppose that it is the business of law to enforce perfect behaviour. In such a society, law can only have a secondary (though important) place. Law will exist, in Bosanquet's phrase, to hinder hindrances to the good life, to maintain a system of rights, to encourage, support, and foster the good life, the living of which is the concern of the individual. The content of law will then not coincide with any imagined code of ideal behaviour: it will represent only the immediate minimum standard of behaviour, the behaviour necessary to form a favourable seed-ground for the individual good life.

This change in the conception of the function of law is typified by the change of ideal from natural right, or the law of nature, to natural rights. The mediaeval State rested on the acceptance of the binding force of the law of nature—the moral code binding on all—and the validity of positive law rested on its conformity with such a code. The modern conception of law implies that the State exists to maintain a system of rights. Rights are liberties, defined and safeguarded, guaranteeing the individual against interference within certain limits of action. Their defence is not that they define everything that is right, but

that they do actually further the kind of individual liberty which the community wishes to encourage, by safeguarding what the whole community agrees to regard as right. This is not to be taken to mean that those rights which the State exists to maintain are amoral or could persist without morality. These rights exist to further and promote and make possible the good life, and their content will depend at any time upon the ideal of common life which inspires the community; but they are always in a sense instrumental. The State will maintain this or that right, not only according to its conception of the good life—a strictly moral question—but according to its view of the effect on the good life of giving the peculiar guarantee involved in legal rights. That is not strictly a moral question but a political or legal question. The distinction may be of great practical importance. For there may be practices which most people agree to be wrong but whose prohibition should not necessarily be enforced by law. For the process of prohibiting them by law may have quite other effects than the disappearance of these actions. We are familiar enough with this question in discussions about the censorship of literature or art. The con-

siderations relevant to the discussion of such questions are partly considerations of value, questions of what really matters in life and what things may subtly poison the springs of goodness: but they are partly considerations of what will be the effect of giving the necessary powers to the police or other authorities, and perhaps especially of how far the support of public opinion will be behind the proposals, and how far, if public opinion is not behind the proposals, the authority of the few can produce morality or the good life. Men may perfectly well be agreed on the consideration of value and honestly differ in regard to these other considerations. Moral insight, which is essential for the first consideration, does not necessarily give guidance as to these others.

It follows from this that the politician, or the citizen in so far as he is a politician, considering whether this or that use should be made of the State's legal machinery, has to have regard to moral considerations, but has also to ask what is a political and not a moral question—how far the moral purposes he has at heart will be furthered or hindered by this or that line of State action. It is easy to exaggerate the independence of the political

aspect, as though politics were only concerned with questions of expediency, or as though the politician need have no particular degree of moral insight or concern. There are not in a democratic community so many persons who are the State and so many other persons who are the Church, or persons whose business it is to think only of political questions and persons whose business it is to think only of moral questions. We are all concerned with both aspects, but in different degrees. And the important thing to realise is that there are these two aspects, and that though necessarily complementary and interrelated they are different—that though both are the concern in some degree of everyone, some are called to give special attention to the one and some to the other. Society always needs the prophet and the administrator—but the prophet seldom makes a good administrator; and *vice versa*. We do not, to refer again to Plato's ideal, want the philosopher-king, but we do want the philosopher and the king, both ruling over us in the very different ways of ruling which their functions imply. And we want them not at war with each other, but each realising how essential is the co-operation of the other.

From all this there follows a new view of the social functions of the Church. For legislation—involving necessarily, as it does, political questions—will not be the Church's concern. But the failure or success of legislation will depend far less on the administrative skill of the government than it does upon the enlightened public conscience behind the legislation. And enlightenment of the public conscience is supremely the concern of the Churches. The law has to take that public conscience for granted, as its support, but also as its limit. Only a non-compulsory organisation such as is the Church can make it its business to keep alive and to develop the conception of the good life on which the health of society depends. The Church's work is to be the salt of society, or, in the other of Jesus' similes, the leaven that leaveneth the whole lump. Her concern is with the tender conscience, the deepening of spiritual insight, the insistence on values and on the true subordination of lesser to greater values. It is

the most difficult of tasks to keep
Heights which the soul is competent to gain,

and a political system whose aim is the encouragement and sustainment of moral liberty has a far more difficult task than a State which

is concerned only with the enforcement of order or of an authoritative moral code. "The doctrine of the inward light", said Dr. Johnson, "to which some Methodists pretend, is entirely incompatible with political and religious security." But the difficulty which encounters such a political system is not simply that liberty may easily become licence. In our time it is much more that the loosening of the authority of the political or the religious organisation may easily redound to the advantage, not of personal liberty, but of economic power. Thus the attempt to maintain a non-authoritative social system, which seeks to find the sources of its moral stability and its moral progress in the individual conscience, is a great experiment. Its success or failure depends upon the extent to which the great mass of its citizens are really contributing to its common life. It depends on all its members far more than does an authoritative system: it depends upon their having a spirit and capacity for idealism which the State's work needs but cannot give. The State thus needs the Church, but cannot do the Church's work. Each has to have the necessary independence of the other in order to be able best to work in co-operation with

the other. Such co-operation when it is attained is the thorough justification of the great change known as the secularisation of politics. It may seem to give less place to religion, but it gives it more, in the sense at least that it asks infinitely more of it.

There is one further point to be noted. I have said that it is the Church's business "to keep alive and develop the conception of the good life on which the health of society depends"—but keeping alive and developing are not one function but two. Society at any time, or the system of rights and duties maintained by society, depends upon a widely shared recognition of what things are good and what bad. That system is rooted in a moral view of life, but an imperfect view. No society has ever been maintained on an unmoral view of life, and no social or economic system could last at all which did not depend on the recognition of the authority of ideals. It is the concern of the Church, as the awakener of men's consciences, to call on them to act up to the height of their professions, that is, to keep alive the conception of the good life on which the health of society depends. But it is equally important to remember that the conception of the good life is

always inadequate, always capable of and demanding development. It is the Church's business to inspire men with new moral insight, to give them a new vision, and that new moral insight and vision will demand a new system of rights and obligations. That is "to develop the conception of the good life on which the health of society depends". In a healthy society there is always a need for both law and grace: for the fulfilling of the demands and obligations which our existing moral insight makes of us, and for the deepening of that moral insight, which will bring new obligations into being.

Aristotle held that justice is dependent upon a community's conception of the good life, and held therefore that while perfect justice depends upon and implies a true conception of the good life, there are also other forms of justice corresponding to the imperfect forms in which communities actually conceived the good life. He held, for example, that a democracy rested upon an inadequate apprehension of the end of the State, but he held that there was such a thing as democratic justice, a system of duties implied in that conception.

If we believe that our insight into the possi-

bilities of goodness is always imperfect and always capable of further development, if, in short, we believe in progress in moral insight, we are committed to this double task. "Whereunto we have attained, by that we have to walk", but we have also to remember "not to count ourselves to have apprehended—that there is more that God will reveal to us". These two functions are distinguishable, but they are essentially complementary, and neither can be done properly without the other. If we set ourselves adequately to live up to our professions or to do full justice to an existing system of obligations, we shall find ourselves dissatisfied with these professions as they are and demanding changes in the system. And on the other hand, men who are mainly concerned with the system that ought to be, will have a profounder insight into such possibilities if they have learnt to appreciate as well as to be discontented with the system as it is.

"I am come not to destroy but to fulfil", and yet "it has been said of old time . . . but I say unto you . . ."

There is a notable passage in one of Baron von Hügel's letters where he states, with irresistible force, as it appears to me, the case

for the sort of independence of religion and politics which I have described. He is expounding what he takes to be the teaching of Eucken on the question: "Religion everything? Or but one thing among other things? I consider that as the *articulus stantis vel cadentis Ecclesiae Euckenianae*, and the point on which I think depends the future true and lasting peace between Faith and Science, and the introduction of the Christian-ethical, the divine spirit of the child and of the Cross, right into the still largely pagan intellectual life of the Church. Pray notice first that when we say we believe in the Creation, especially when we profess belief in each single soul's free will, we profess the mysterious belief that God has somehow alienated a certain amount of His own power and given it a relative independence of its own; that He, as it were, set up (relative but still real) obstacles, limits, friction as it were against Himself. . . . Yet though God and Christ are not simply things or forces within and amongst *other*, simply and absolutely independent things or forces, yet we cannot, I am persuaded through and through, show our apprehension of the secret of the law of spiritual life for us all, or cooperate in building it up, better than ever

remembering, ever practising, ever suffering the (within our world of relativities) *true and real independence* which God has chosen to give Creation, by the very fact of creating it, and still more by incarnating Himself in its head and centre, man. Never, as truly as Creation will never be absorbed in the Creator, nor man, even the God-man, become (or become again) simply and purely God, will or can science and art, morals or politics be without each their own inside, their own true law of growth and existence *other than, in no wise a department or simple dependency of religion. . . .*

“Eucken’s vivid consciousness of how the character and Personality, the spiritual substance of the soul, have to be won and conquered through constant effort, renouncement, conversion, and purification: of how selfish and self-centred, how animal and sensually sentimental is the natural man: and how his childishness has ever to be turned into childlikeness and even his apparently good aspirations be thwarted and broken, so as to grow in worth and range: all this would make him actually seek or postulate, in such a moral training school, just precisely the friction, the non-fit, the *otherness* of science and of religion,

of the phenomenal determinism and the noumenal libertarianism: just exactly that scheme of things in the midst of which we are: in our foreground ourselves, selfish, sensual, childish individuals, mere *units*, but with the mysterious capacity (not more) for constituting ourselves unselfish, spiritual, manly personalities, real unities and organisms: in the middle distance, the phenomenal curtain and, as it were, buffer state, the resisting but spiritually not irresistible medium of the world of physical, mechanical, determinist fact, law, and science: in the background, which is really the groundwork also of all, the noumenal reality, the world of spirits and of the absolute spirit, of persons and the absolute Person, the world of liberty, morality, eternity, and love. . . . Not as though a far deeper ultimate and indeed daily *working* unity is not thus apportioned and felt to be in our very grasp; but it is a unity ever reconquered through this very chastisement, a unity always to be regained through the obscurity and effort of action and the beautiful profound asceticism of creaturely thinking and being, which plants the Cross everywhere and which through willed and loved *friction* wins fruit ever and everywhere.

“Hence if you ask, ‘Has not religion to do with everything?’ E. would answer, ‘Most certainly’. If, ‘Does it not embrace everything?’ he would say ‘Yes’ and ‘No’; ‘Yes’ if by religion you mean here a notion so all-embracing as to make you respect the various laws immanent to all the various departments of life; ‘No’ if you mean a set of laws or notions which can be taken as the simple regulations and commands of those other laws. Hence religion will have to come to see that it cannot attain to its own depth, it cannot become the *chief* thing, if it does not continually renounce aspiring after being *everything*; for it cannot become its own fullest self without not merely occasioning the love of the Cross in other departments, but also taking the Cross upon *itself*. And then all things will become food for such a faith, and it will become the base and transfigurer of things.”

The application of this passage to our problem is obvious. I have tried to show how politics has gained in being given its own specific work to do, that the separation of the functions of politics and religion is essential if the freedom of the individual is to have scope. What has happened is that instead of trying to ensure beforehand by an authori-

tative system that the members of society shall lead the good life, it has come to be thought that the business of the State is to provide a framework within which men shall have room themselves to lead the good life: but that the success of this new relation depends on the individuals themselves continually and persistently making a reuniting of the factors of politics and religion. The new relation, because it confines politics and religion to their proper tasks, gives each more scope, but it needs far more faith than an authoritative system. It asks far more of the ordinary member of society, and it gives the Church far more to do.

Let us now apply the results of this consideration to economics, and consider whether the relative independence of economics in modern society may not have in it the same advantages, as it certainly has more than the same dangers, and whether it does not by such relative independence make an even more striking challenge to the Church. In von Hügel's words, to reconquer unity by the obscurity and effort of action which plants the Cross everywhere. And we shall better see the task before such Christian endeavour when we have understood what it is in the

nature of economic relations which has made some think that task of reconciliation either unnecessary or impossible. When men think that, they overlook the perversities into which economics falls, as does politics, when abandoned by religion. When we have traced them, we may perhaps see the lines of a possible restoration of unity.

LECTURE II

WE have seen now that the break-up of the mediaeval synthesis led first in politics to a sharp separation between Christianity and politics in which politics were conceived as irreligious, but that when once that first exaggeration had been given up, the new independence of religion and politics opened the way to a more real because a more active and free co-operation between the two. If the modern conception of the comparative independence of religion and politics were to be regarded as a mere error, as though there were nothing to be done but return to the mediaeval synthesis, we should be abandoning something in the modern situation of inestimable value, we should be giving up a free for a rigid synthesis, harmful alike to Christianity and to politics. If that is so, it may well be that the same sort of answer should be given to the problem of the relation between Christianity and economics. If we agree that the separation often made in modern times between Christianity and economics is false and

disastrous, the history of the analogous relation between Christianity and politics suggests that the way to deal with that error is not to return to the mediaeval synthesis but to find a new one. We are faced, that is to say, with a genuine problem which we have to think out, not with a mere unwillingness to adopt what we know to be a right solution.

Further, the fact that the problem of the relation between Christianity and politics has been in principle solved, while the problem of the right relation between Christianity and economics still awaits solution, suggests that there is something peculiar about the nature of economics, and suggests that we must proceed with the task mentioned in the beginning of last lecture, of defining what we mean by economics. Why is it that the lines of any such lively co-operation between religion and economics as exists between religion and politics are not easily discoverable? Why is it that good men have sincerely held that religion and economics have no relation at all to one another? And let us remember that this view was very generally held in the middle of the nineteenth century by men who were not possessed by any quietist

view of religion which would abandon the world to the devil; but who, on the contrary, were active in politics and were convinced that their religion demanded that they should observe for themselves a certain discipline in their use and enjoyment of material things. In spite of which they thought that no good could come of interfering in the name of religion with economic relations.

For in talking about the connexion of religion and economics we are narrowing down the vague general meaning of economics to a certain kind of relation between men which we call economic. That is, I think, the first point we must get clear on. We sometimes talk as though by economics we meant all that is concerned with what are vaguely called material wants—what is necessary to keep us alive and active so far as our bodies are concerned, as distinguished from our higher wants or activities, aesthetic, moral, or religious—with what we may roughly call the bread-and-butter side of life, as distinguished from the bread of life.

Plato gave the name of gain-loving to that part of the soul which contained the bodily desires, on the ground that these are ordinarily such that they can be satisfied by means of

money. There is a certain rough truth in this distinction, but it will not bear close analysis.

For in the first place, as we have just seen, many men who think it wrong that religion should interfere with economics also hold that religion has a very direct bearing on how they should restrain or indulge their bodily appetites. The theory that Puritanism made capital possible, implies—not that the Puritan in his activities was inspired with greed for consumption, but that the influence of his religion made him save more than he need. We may not think thrift a lovely virtue, but that is no reason to confound it with gluttony as some critics of capitalism have done.

And in the second place, men may and do enter into economic relations which are concerned with other than material wants. "The Testament of Beauty" has got to be printed, and the compositors' trade union is a union like any other and may strike—and there are such things as Church finances. Readers of Marx will remember how fond he is of the instance of the man who exchanges a Bible for brandy, but after all that means someone else who exchanges brandy for a Bible. Economics is concerned with activities not in so far as they are good or bad, unselfish or selfish,

low or high, material or spiritual, but in so far as they are exchangeable or deal with what is so. Its peculiarities, if they exist, will come from the peculiarities of the relation of exchange.

The relation of exchange *is* a peculiar relation. On the surface it seems so simple. I give you what you want and you give me what I want: or I serve your purposes in return for your serving my purposes. It is in itself neither selfish nor unselfish. It is a relation which is possible between either selfish or unselfish people, or between a selfish and an unselfish person, but in which each nevertheless serves the other. The exchange can be made and mutual purposes served even if neither party concerns himself about the purposes of the other. "What I want is my business and what you want is yours" produces in the process of exchange the curious result that whether my activity will be directed this way or that, to making this or that, depends not on me but on you, and is primarily your business, not mine, and *vice versa*. That again produces the situation that in a world dominated by exchange, such as that in which we live, what services we render to the community depends, as we say, on there being

a demand for them: and not on our thinking the services ought to be rendered. "Rendered to the community" sounds like a guarantee of the intrinsic worthwhileness of the services rendered. But "to the community" is really a woolly phrase. In an economic system it means that we do what other people want because they pay us to do it, and they do what we want because we pay them to do it—that is, it means power to get others to do what we want done. The system does not, we may say, destroy moral responsibility: we remain responsible for our purposes and therefore responsible for what we get others to do—but we hold that we are not, at least within certain limits, responsible for what other people get us to do.

Since the whole process takes place, as it does, within a system of rights, that involves, of course, the obligation upon everyone who takes part in economic exchange to observe that certain purposes may not be served at all. The fact that someone wants to buy cocaine does not relieve you of responsibility in supplying it, because society says that except under strict conditions cocaine must not be bought or sold. But as the law is concerned to maintain rights, and rights involve liberties,

it follows that there will always be some actions which may be within your rights, which may yet be morally wrong. For, as we saw in the last lecture, the aim of law is to lay down and enforce not an ideal code of behaviour, but a minimum code such as will hinder hindrances to the good life. It follows that rights are, on one side of them, rights even to do wrong within certain limits, and in a society where we respect other people's rights we must not interfere with them even if they are doing what we think wrong, as long as they are acting within their rights. Add to this right to do wrong the economic exchange of services, and agree that what other people's purposes are, is not your business, and you will then find yourself furthering other people's purposes which you think wrong: provided they are not legally wrong. This looks pretty bad for the case of independent economics.

Recognise, on the other hand, what a case can be made out for it. The fact of exchange does not, directly, alter people's purposes or their responsibility for them. It only facilitates the general furthering of purposes, quite indifferently to their goodness or badness, and it can therefore be argued that morally we are exactly where we were before the economic

relation came on the scene. And if we ought to respect people's actions when they act within their rights—even when they make what we think a wrong use of their liberty—then we should respect their power of calling on us for services, even when we do not think they are morally right in the purpose which is to be forwarded by their use of that power.

Now few of us would be prepared to carry out this principle unflinchingly, and the motto of those who profess to do so, "business is business", has rightly got a bad name. But we all act on it to some extent. And I think we clearly ought to some extent to do so. For the opposite principle would land us in greater difficulties. If we really resolved that we should have no economic relations, that is, refuse to serve the purposes of others unless we entirely understood and approved of the use that these others were making of our services, we should make an intolerable world. In fact sometimes when people do act on this principle, we call it boycotting, and regard it as a crime. In any case, in the world we live in, as Bernard Shaw is fond of reminding us, we cannot escape complicity in the evil actions of others. We cannot know what use is going to be made of our services.

This does not mean that we need only, in serving the purposes of others, ask whether such purposes are within the law. For the system of rights maintained by law is determined partly by the view prevailing in society as to what kind of life and therefore what sort of actions should be encouraged, and partly by what the State can effect by its compulsory enforcements and prohibitions. There may therefore be certain purposes, the realisation of which the State does not prohibit because their legal prohibition is impossible or harmful, which are yet purposes with which we should have no complicity. Long before the State, by the setting up of wage-boards, sought to prohibit sweating, it was our duty in considering how to invest our money to consider the conditions of labour prevailing in certain businesses as well as what dividends they were likely to pay. And because the State's prohibitions depend upon the moral views in society as to what purposes ought to be encouraged, we, as responsible for the moral opinions of society, ought to be in advance of and not behind the prescriptions of the State. We are bound therefore if we are conscientious to avoid complicity with purposes which seem to us obviously evil, even though they

may be allowed by law. We are in such circumstances trying to do by our voluntary action what the law in a higher state of public opinion would do, or what the law would do if it could. We ought not then, in response to economic demand, to render services to others if they are services of a kind which we hold ought not to be rendered at all; but that does not mean that before rendering services to others, we must satisfy ourselves that these others are going to make a good use of such services. Where the line is to be drawn between readiness and refusal to enter into economic co-operation with others it is not easy to say. But then such questions never are easy to decide. But it is, I think, clear that to regard the maxim "business is business" as a sufficient guide is disastrous. It is not an all-sufficient excuse for our actions that we are giving the public "what it wants", appealing to the fact that we are making a profit as proof that we are doing so. And yet there seems to be something in the principle of "business is business"; for if we disregarded it entirely and insisted that the producer must take responsibility for the use made of his services by the consumer, the result would be equally intolerable.

There is something then which we hold on to in this principle of the moral indifference of economic relations, and in the doctrine that it is a good thing that there should be relations of such a kind. The puzzle comes in determining the conditions within which or alongside of which the indifference of economic relations can be not only admitted but welcomed. For it seems equally clear that we stand to lose something if this indifference is never assumed and if it is assumed entirely without regard to the care for other than these indifferent economic relations.

Here then is the dilemma.

Aristotle says in the *Ethics* that justice depends upon friendship. If we take that principle as a guiding thread, it may help us a little in all this puzzling country. If we suppose a community of friends, really inspired by the spirit of friendship and not concerned with questions of private gain, then it would, I think, be obvious, as it was to Plato, that the principle of the exchange of services is a good one, and that, because it enables a man to "mind his own business", it gives scope to each individual's special functions and powers and therefore makes possible a greater fulfilment of purposes. And clearly, other things

being equal, it is good that more purposes should be served. And we should recognise in a community of that kind, that exchange of services or economic relations were in themselves neither good nor bad, but only instruments of purposes.

For, in such a situation, to put the matter abstractly, if we began with A serving A's purposes, and B serving B's purposes, each would be morally responsible for his own purposes and not morally responsible for the other's purposes; and it would be as important for the good life that each was *not* responsible for the other's purposes as that he *was* responsible for his own. If exchange is introduced, the same responsibility and non-responsibility remains, except that now A is responsible for what he gets B to do and B is responsible for what he gets A to do, and as the result of the exchange both A's and B's purposes are more effectively served. So that all that the addition of the economic relation of exchange has done is to increase the serving of purposes and leave the moral situation alone. It does therefore seem to be indifferent morally. And if we generalise this, may we not argue that an economic system only increases the general serving of pur-

poses and leaves the moral position where it was?

The answer to this is that the change effected by the introduction of an economic relation may be morally indifferent, but it need not be. For all relations between men may involve moral questions, and the new relations into which men enter for the purposes of exchange may easily introduce new moral problems, however much they leave the old unaltered. There may be different questions in one situation. The difficulties into which we so easily get in this matter arise from not distinguishing questions and situations. There are questions which are only economic questions—*i.e.* concerned with how purposes can be more efficiently served—the moral responsibility for the purposes remaining where it was. Because that is so, we easily conclude that there are human situations with regard to which moral questions do not arise, and therefore a whole unmoral world where business is business. Or if we begin at the other end and recognise that there are no situations which are morally indifferent, we go on to argue that there are no questions which are economic and morally indifferent questions, and therefore no ways which may be morally

indifferent of combining to effect purposes. But this is surely not so. The development of Rugby football tactics from the days when there were two halves and three three-quarters to the present, when there is a scrum half, a stand-off half, and four three-quarters, is a development of great tactical or economic importance, and, so far as I can see, of no or of very little moral importance. It *may* be of moral importance, because there may be, for all I know, differences in the quality of the team work involved in modern Rugby football, and hence differences in the moral training which Rugby football gives. But the technical importance of the change is obvious and the moral importance very difficult to discern.

If we recognise, then, that economic relations can be morally indifferent in so far as they are concerned with the general question as to how purposes may be furthered whatever the purposes may be, we should recognise further that economic questions are so far not moral but technical questions. This does not mean that there is a part of life where moral considerations do not apply and where therefore moral issues must not be raised, but it does mean that in all actions

there are certain questions which have to be asked and answered which are not in themselves moral questions. This is clearly brought out if we use the term economic in the extended sense which Croce has given to it, where it may be said to stand for the general aspect of skill or cleverness. So long as we remember that no means to an end are ever merely means, and that therefore there may be moral issues concerned in the choice of this or that technical means to an end, we can also recognise that there may be different ways of achieving a purpose, the choice between which is morally indifferent but technically of the most differing value. We can ask, for instance, whether Russian petrol is a better article at the price than other kinds of petrol. That is not a moral but a technical, and in the wide sense an economic, question. As a technical question it can be asked and settled independently of making any judgement as to whether we ought not also to ask if there is a moral reason for or against using Russian petrol. We cannot say in general that if one means is better, that is, more efficient for its purpose, that is all we need bother about, for the choice of that means rather than another may have moral consequences.

But it is also true that the technical question has a technical answer which holds good whether or not moral consequences are involved, and which as a technical answer holds good even if the technical advantage is outweighed by moral disadvantages. The technical question is a different kind of question from the moral question. It needs a quite different skill and knowledge for its right answering. The same holds true if we are discussing economic questions in the narrower sense of the word, asking what division of labour and what kind of exchange of services will produce the greatest efficiency in the serving of our purposes. Of course the technical conditions under which you face your technical problems depend on moral factors—the honesty and trustworthiness, etc., of the men whose technical organisation you are discussing, and if you isolate the technical problem you may overlook much that is technically important. The two aspects are never isolated in fact. But you may take one or the other aspect for granted and ask problems about the other. Thus there are questions of the relations and organisation of men which are technical questions, and need technical skill and knowledge for their solution. They are not in themselves

moral questions even though the different ways in which they are answered may very easily, though they do not necessarily, raise moral issues which may prove to outweigh in importance any technical considerations. It is often the decisiveness of technical questions which calls for decisiveness of moral choice. For we have often got to weigh and balance and choose morally just because the technician pulls us obviously in one direction when the whole human situation pulls us in another.

Whatever qualifications have to be made as to the independence of economics, I think it is important to be able to see why it has been thought that economic relations are necessarily indifferent morally, and that therefore moral principles are irrelevant in their consideration. That has come about because men thought that because economic relations were instrumental, they had therefore no moral reactions, and could indeed be merely means. But over and above this we must realise that economic relations have necessarily a nature of their own, and that the demand which we sometimes hear that economic relations should be transformed into ethical relations is strictly speaking an unmeaning

demand. It is made by people who quite rightly resent the notion that there is any situation in life which has no moral bearings. But economic relations and economic questions cannot possibly just disappear into ethical relations, any more than mathematics can just disappear into art. And there are times when we rightly hail the person who will solve a technical question arising in a moral situation with relief as great as Miss Betsy Trotwood's:—"Mr. Dick," said my aunt, "what shall I do with the child?"—Mr. Dick considered, hesitated, brightened, and rejoined, "Have him measured for a suit of clothes directly".—"Mr. Dick," said my aunt triumphantly, "give me your hand, for your common sense is invaluable."

It is theoretically possible, I think, to transform economic relations into political relations (that is technically what Bolsheviki Russia is trying to do), just as it is possible to supersede the relation of contract by that of commanding and obeying: if we did that, we should of course get rid of this system of relations which may in themselves be morally indifferent, but few would think that that result was worth the price.

For, lastly, it is important to realise that in

its right place, that is, so long as we can keep it a servant of our purposes, there is a great deal to be said for the relation of exchange, or buying and selling. It is an essential instrument of liberty. It is quite true that if we admit liberty we admit a source of friction and trouble. Therefore when we try to plan Utopias for ourselves, we tend to dislike a relation such as that of exchange, which may obviously go wrong and be perverted. We want a social system permeated through and through by our own beautiful ideals. But I hope that we have only to remember that fine passage of Von Hügel's, which I quoted in my last lecture, to see how false and unchristian such Utopias might be. We are not to ask for a system where everything is safe and nothing can go wrong, from which all possibility of friction, and hence of life, has been removed. The better a social system is, the more demands it makes of all its members, the more faith it demands. We have all of us, I think, an irrepressible desire to be God and do the job much more smoothly than God does it, by taking away all those opportunities for true freedom which entail the possibility of things going wrong. That really is our wanting to be God, and that in a world

which can be run on the cheap, not in a world in which men may have to suffer and even to die for its redemption.

Now if we can bear these general considerations in our mind, we can perhaps use them profitably in our reading of actual facts. For if we look at the actual facts, how monstrous appears the contention that economic relations leave matters morally where they were. We have only to look at the history of the Industrial Revolution to see what a potent source of moral and social change economic relations can be, and we can sympathise with Marx when he countered the purely instrumental view of economic relations by maintaining, in the doctrine of historical materialism, that economic relations were the *only* determining forces in society, and that so-called moral and social purposes were merely the ideological reflection of the economic reality.

Why are the facts so ludicrously different from what the theory of the nature of economic relations seems to demand?

The simplest answer is of course that economic relations are a good servant but a bad master. But that provokes the further question: How, if economic relations are in their

essence instrumental' or a servant, can they become a master? We may answer that by saying, as we have said already, that no action is ever merely a means. But that again will make us ask: Why do men allow what obviously should only be a means to become a master?

I think perhaps the most profitable way of meeting that question is to start with the kind of small society of friends we pictured, which uses exchange or the division of labour solely as an instrument, and see why the instrument can so easily escape the control of those who use it. To do this will only be to give a schematic picture of what happens when a traditional society is transformed into an industrial one—a process which is going on before our eyes all over the world.

But let us remember that we started by supposing a society of friends. You can easily have relations which are regarded in themselves as morally indifferent in a society where friendship is so strong that it is bound insensibly to permeate all relations. We can see this perhaps most evidently in games. Men can only behave towards one another as young men do when they play football if they are so

truly friends to one another that the spirit of the game, for all the things they do to one another in the process of it, permeates all their action. The relation of contract is possible between selfish or unselfish people, but inside the same legal scheme there will be wide differences according as the men concerned are or are not selfish. It is true that the just shall live by faith, but we might go on and say that only the just can live by faith. The same relations which only give greater liberty and scope among friends may have very different results when applied more widely. But this is just what has happened.

Real relations with people, friendship and understanding and sharing of common purposes, are of slow growth. Economic relations, just because they are possible without a common purpose, are easy relations to enter into and maintain. They are essentially impersonal relations. It is in some ways one of their advantages that men will buy and sell when they will have no other relations with one another. For that can mean that commerce can be the beginning of real relations between men who would otherwise have nothing to do with one another. But though commerce creates a demand for moral relations between

men, it does not in itself produce them. And because economic relations are entered into so very easily, they produce all sorts of connexions among men between whom there are no, or hardly any, moral relations. They create an overwhelming system of interdependence among men, they produce an intensity of mutual relation, and yet, because they are morally indifferent, they do not of themselves create at the same time any corresponding moral relations. And this changes the whole situation. We are at this moment confronted with the fact that we have elaborated a world-wide economic system without having apparently even the minimum of mutual forbearance and sympathy and understanding to work it. That is surely the lesson of our present impasse. Our extraordinary powers of technical production and of scientific organisation are defeating themselves because of what are obviously moral failures.

But even when things are from the economic point of view going well and trade is prosperous, economic relations may so easily outgrow moral relations that they come to dominate them. Hence there arises an economic system which though it began as instrumental to purpose has outgrown purpose and

so gets an independence and momentum of its own.

Think what this means. An instrument we begin by employing to serve our purposes becomes indispensable to us, so that to maintain the instrument becomes more important than any purposes we have in view or wish to serve. Earlier civilisations have largely been societies in which a large majority of people lived on the land on the produce of their own labour, in such a way that exchange mattered very little as far as concerned the absolute necessities of their lives. Exchange was an advantage to them, but an advantage they could if necessary do without. Ours is a civilisation dominated by exchange. We, almost all of us, depend for our very livelihood on the success with which we serve the purposes of others. The system, when it is going well, provides a much higher standard of life than would be possible without exchange. We have seen lately how the competition of the higher standard of life made possible by industry has depopulated an isolated island like St. Kilda; and all over the world the more or less self-supporting countryside feels the competition of the towns, which offer a highly elaborated life but a life which is absolutely

dependent upon elaborate exchange. The countryside nowadays is being saved economically by organising its marketing, that is, by providing for exchange and coming into the system like the rest of us. Once this dependence on the system has happened, the system has to be kept going. When it breaks down, as in some degree it is continually doing, it results in widespread suffering which the sufferers cannot avoid, for which they have no personal responsibility. One among many consequences is that it becomes imperative for each member of society, if he is to survive at all, to find a place in the system. He has got to get others to use his services, and he is utterly dependent on that happening. His first concern is to get his livelihood by discovering for what service he will be paid. That is the way the system strikes him; if no such necessity were on him, he might want to do this or that, to express these or those capacities he is conscious of in himself. But any values he of himself would attach to services he felt impelled to render are subdued to the necessity of living, and if he manages to get a job which gives him an opportunity of doing what he wants to do, he is more fortunate than the average.

The prevailing aspect of the situation for

the average man is his necessity of earning a livelihood. That in one sense has always been the case. But to live by the sweat of your brow directly producing for needs you understand, or rendering services you yourself consider to be of value, means something quite different morally from having to gain your livelihood by finding a place in an economic system which is indifferent to your individual life or to your sense of values. And this difference involves a terrible distinction in society, with which we are painfully familiar, between those who have what is called "independent means" (what a significant phrase!) and those who have not.

For the great mass of people who are keeping the system going and finding their places in it, this distinction is of quite overwhelming importance. And so we get this paradoxical result, that we are all concerned to serve this great instrument of our purposes, and its service tends to absorb all our energies and thoughts and to leave so little room for anything else that we all come perforce to making an end of what should be a means, and then to worshipping the work of our own hands.

And we have to remember that the system as we know it depends on constant technical

changes. It is never a stable system. The success of its units depends on their being abreast of technical progress. The irony of the situation is this, that the domination of the system comes to mean that technical progress is no longer directed and stimulated by purposes we realise and wish to further—it is stimulated and directed by the fact that we depend for the most elementary necessities of life upon pushing ourselves into the system, upon never daring to fall behind the other units who also are pushing themselves in. If we find no need that we can serve and shall be paid for serving, we are driven to try and stimulate a want. And in stimulating wants, our first consideration is not that the want is good but that it is one we can supply and by which therefore we can earn a livelihood. The art of stimulating wants becomes an independent activity, and practisers of the art have to push themselves into the system with all the rest. The highest rewards in it go to those who are the first to use improved methods successfully or to stimulate and satisfy new wants. And these new inventions are continually demanding and achieving changes in men's actions and social habits. Just consider as an example the effect on family and social life of the three-

shift system in English mining. If you ask why men should live in this way, submitting to all the inconveniences and worse which it involves, the answer cannot be given in terms of the lives of the people mainly affected, nor indeed of any individual lives or living purposes. Usually the answer given is that unless these means are adopted the business will not pay, will not hold its own competitively, and that unemployment will be the result. The consequence of this instability is that we look on and see the structure of society—which is an impersonal way of describing most of our relations with one another—continually being altered before our eyes, not as any of us want it to be altered, but as if it were not human beings who were changing it, as if it itself were some strange impersonal thing which just changes. As a man in one of Mr. Wells' books says, "This 'ere progress, it do seem going on". A pervading sense of powerlessness in the face of economic circumstance is terribly characteristic of our modern outlook.

Perhaps the most pervasive consequence of all this is the creation and exaltation of a world of impersonal human relations. We have, of course, all of us our circle of personal relations, our families or friends, our personal interests

and loyalties: but our keenest attention and interest, and a very large proportion of our time, is devoted to our business—not just in the sense of our work, when such interest would be entirely sound, but in the sense of living with and being in contact with human beings on what is called an entirely business footing. This shift in the proportion of attention which we naturally give to personal and impersonal relations is perhaps the most sinister result of the changed system in which we are living. We are all so continually occupied with means and organisations and instruments that our powers of true valuation are weakened or strained. We who live in a rich civilisation may have a bitter understanding of what Jesus meant when he talked of the deceitfulness of riches. We are all continually deceived into thinking things important which are not, into mistaking means for ends, into adopting the impersonal values which the system suggests to us, at the expense of our whole personality. So much of our attention is concerned with men in impersonal relations that we easily come to think that, however unsatisfying, these are the only relations that there are to have. We are so much concerned with means that we find it hard to believe

there are real purposes operative in the world. We are so much taken up with man's continual and progressive achievement that we do not see our own littleness or God's greatness. "Two things fill the mind with awe, the starry heavens above and the moral law within", but our minds are necessarily directed for a great part of our time on a system which either fills the mind with complacency or with anger, or which possibly seems to us (as Pugin said contemptuously of a rival architect's designs for the Broad Street front of Balliol) so futile that it rouses in the mind no emotion of any kind at all.

Along with this there goes, obviously, a general loosening of the sense of personal responsibility for what happens in the economic system. We are, as we have seen in our analysis of exchange, responsible for the actions of others in so far as they are working to satisfy our wants. In a simple relation of exchange that would be obvious. The chief moral responsibility for such actions would be on the consumer, who directly calls forth service. But once the system is on a large scale, plain issues are obscured. Individuals may feel responsible for their consumption in so far as it affects their own private life,

But however true it is that the system only works because there is a demand, it is not true to go on and say that the individual consumer is responsible for the demand, when this means the demand which can be stimulated in the average person. In the grip of an economic system it is often more true to say that the demand of the individual consumer is determined by the supply, than *vice versa*. "We are *never* asked for that now" is the polite modern formula for "it's no good your asking for it". The system has pronounced it out of date—and so out of date it must be, however much we want it. For the individual consumer's demand to be effective it has to be organised. Organisation ordinarily takes money and publicity, and that the consumer as consumer cannot provide. And what is more important is, as I said before, that because the system has to be kept going, the means of production have to be kept going, and the producer instead of meeting demand has largely to stimulate it to find a market. Hence an enormous system of publicity and creation of fashions, and a general devitalising of standards and of sense of quality.

By a curious perversion the chief real advantage of the economic system—that it

enlarges the liberty of the consumer—disappears. For that liberty is attacked in order to give the system the necessary regularity.

Again a general weakening of the sense of quality and of real wants is not only brought about but is, one might almost say, fostered, by the tendency, inevitable in an economic civilisation, to express value in terms of money. For to accept monetary price as a measure of real values means, if we think it out, that we think that the measure in which other people want a thing is the measure in which we ourselves want it. "A thing is worth what it will fetch" means that our individual judgement of its value disappears. One can see this in a ludicrous way when people want things to be expensive and will not buy them unless they are. You remember the description in *Our Mutual Friend* of Mr. Podsnap's plate. "Mr. Podsnap could tolerate taste in a mushroom man who stood in need of that sort of thing, but was far above it himself. Hideous solidity was the characteristic of the Podsnap plate. Everything was made to look as heavy as it could and to take up as much room as possible. Everything said boastfully, 'Here you have as much of me in my ugliness as if I were only lead: but I am so many

ounces of precious metal worth so much an ounce: wouldn't you like to melt me down?' ”

A world of what have been called secondary relations brings with it a world of second-hand values.

There are so many more obvious evils in our civilisation that it may seem over subtle to emphasise this, but if we accept the words of Jesus—“Where your treasure is, there will your heart be also”—the poisoning of our sense of what is valuable in life must matter far more than anything else. For if our values go, no tinkering or mending of *instruments* will do any good.

The other main way in which the sense of personal responsibility is loosened by the economic system is more obvious. Our success in life, or for that matter our mere livelihood, comes to depend much less on our own exertions and to be much less under our individual control. Thus by another curious perversion loss of individual control over his own life goes along with man's enormously increased control over nature. In a simpler civilisation a man's misfortunes were either his own fault or the fault of some particular oppressor, or were due to the inevitable happenings of nature. Widespread unemployment

has brought home to us all how man's enormously increased powers over nature have gone along with making the individual often hopelessly dependent upon the working of the economic system. Unemployment is usually nobody's fault, in the sense that no one has definitely said, "Go to, I will cause these persons to be unemployed", but it has come about through men's actions. If we really believed it to be quite inevitable, even its victims might face it as men have learnt to face inevitable misfortunes. But we suspect that we need not be unemployed and need not be suffering if only other people had been more worthy of the responsibilities they have assumed, or more considerate and less selfish. A great deal of the malaise of modern industrial society comes from men's suffering evils which are not being remedied and which they yet believe could be largely remedied. I have seen something lately of a very remarkable piece of work among the unemployed, the whole success of which has depended on the sympathetic understanding of the effects of unemployment on the minds of those who suffer from it. The originator of this work expressed this effect by saying that the unemployed felt like ghosts—they had no place

or function in the social system. No one wanted them. A system which works for the mutual satisfaction of wants also produces men who are not wanted; and if you are not wanted, you are nothing.

We have seen now how it comes about that the economic system which ought to be merely an instrument—and which, when it is that, may be a fine and wonderful one—easily comes to be regarded as an end in itself: how, when that happens, it changes the proportions which primary and secondary human relations take in our lives, and how it easily perverts our sense of values and weakens our sense of personal responsibility.

LECTURE III

WE were considering in the last lecture certain consequences of the confusion of ends and means which is so especially easy in a society pervaded by economic relations. I propose in this lecture to consider certain further consequences of the perversion of society which occurs when mechanism takes precedence of aims and purposes: when the powerful machine is out of control of the driver.

In the relation of exchange we use one another as means. That is the nature of exchange, and there need be no harm in it so long as it is mutual, and is not pursued in ways which negate or poison the individual life regarded as an end. Kant indeed defined the ideal moral society as a kingdom of ends in which each member was treated both as means and end. His second version of the categorical imperative does not forbid us to treat men as means, but forbids us to treat them *only* as means. In an exchange system we may come across people only for purposes of exchange, and therefore treat them as

means. But we need never treat them as if they existed solely as means. In our modern civilisation there may be countless people with whom we are in economic relations but with whom the general human relation can never be effectually explored or developed. And a surface assumption of hearty relations with people we cannot know may be only a hindrance. And yet that is not to say that in relation to these people we can ever afford to forget the existence of their, and our own, complete humanity. Courtesy may be degraded to the shallowest artificiality. But real courtesy, in any and every human transaction, is no less than a necessary acknowledgement of the *primacy* of personality and character in each individual and in society. Without it Christianity is not Christian.

We may recall in George Meredith's novel the encounter on London Bridge between "One of our Conquerors", the successful business man in his white waistcoat, and the mechanic who "knew himself honourably unclean". "'Ah, well, don't be impudent', the gentleman said by way of amiable remonstrance. 'And none of your dam punctilio', said the man"—a retort which sounded in Victor Radnor's ears, to his death, an ominous

reminder of this very necessity for a more than amiable *surface* human consideration in all human encounters.

For the heart of the matter is this: that in any mutual relation between human beings, of however slight or fleeting a nature, there *may* arise an occasion or need for one or the other to be treated as an end, and for response to such need. Thousands of relations may occur with no such need arising, but when it arises, it is, in so far as we are a Christian society, a matter of paramount importance.

The obligation to courtesy maintained in all relations whatever, is the social reserve needed in every humane society, which is there to be drawn on with certainty for all such essential needs. Without it we are not even aware of what may be primary needs in life, let alone being ready to meet them.

The modern industrial system is regarded with intense bitterness by masses of people, and I believe that their main quarrel with it is that they are considered only as means, cogs in the wheel, mere instruments. This widespread bitterness is a very noteworthy feature of the present situation, and it is our first duty to understand it. The remarkable thing about it is that it is not easy for the ordinary middle-

class or professional person to do this. It is not the outcome of material wretchedness for it is felt on the whole more by the well-paid than by the worst-paid workmen. It is extraordinarily widespread. It finds expression in the same language all over the world. It has produced in our time a stupendous revolution, and a new and militant religion. And yet, I repeat, we middle-class or professional people find it very hard to understand. Its watchwords are to us shibboleths, its philosophy a mass of fallacies, its apostle a cloudy preacher of hate. As one goes from the professional world to the world of class-conscious labour, one seems to move into a world of different assumptions where the meanings of language have changed. I quote a passage from a remarkable German book on the mind of the Marxian worker. The authoress mentions a conversation with a lithographic printer who was describing his life—some years of apprenticeship, followed by years when he was earning good wages, but in the certainty that after a few years his sight would go, skilled work would be impossible for him, and he would sink down into the ranks of casual unskilled labour. "But here", Frau Hermes relates, "he stopped and said, 'But what is the

use of my telling these things to you? People like you cannot understand.' I explained that my family had cast me off and I also was one of the disinherited. His eyes flashed, he gripped my hand, saying, 'Then we speak a common language—*Dann verstehen Sie uns*.'" That is expressed in dramatic, Continental fashion, too highflown for our taste; but it does express a very widespread feeling. No one can have much to do with what is called class-conscious labour without being aware of this. As one moves from a middle class or professional to a working-class circle the change is at once apparent. The bitterness which accompanies this difference in point of view varies very much. In practice the antagonism may be softened in all sorts of ways, but of its existence there can be no doubt.

We middle-class people tend to ignore or minimise this profound difference in outlook, partly because it is formulated in ways we cannot accept. But the defects in its formulation almost all arise from the failure of working-class thought to understand that side of the economic system with which we are familiar. We assume that, because these men talk nonsense about the sphere we do understand, all they say may be dismissed as nonsense. We

see that their account of the motives and behaviour of the ordinary employer and professional man is far from the facts, and we suppose that because they do not understand us they cannot understand themselves. But this failure to understand is primarily a sign not of their incapacity but of the gulf there is between these two sections of society—between those who manage and take responsibility on the one hand, and those who are managed and have responsibility taken for them on the other—or those who are salaried and have independent means at least to fall back on and those who are on weekly wages—or however we put the contrast. Of course the contrast will not be clear-cut. Society is infinitely more complex than popular theories will easily admit. There are all sorts of degrees in independence of income or position, in security and insecurity. Many are not “class-conscious” whom you would expect to be, and many are whose economic position does not really warrant it. But for all that, the division of sympathies and outlook in modern society, denoted imperfectly in Marxian theory by the words “bourgeoisie” and “proletariate”, is very real.

If we try to get behind the forms in which

this division of sympathies is expressed to the real feelings behind them we should, I think, imagine the working-class side saying something like this:—

The economic system as described from the employers' or professional point of view is a free exchange of services. It is concerned to encourage individual initiative and freedom of enterprise. It supposes that those who take part in it are rewarded according to their power of serving other people. Their power to call on the services of others answers to the extent to which they themselves serve the purposes of others. It demands energy, initiative, and a readiness to take risks. We can see that it might be regarded as an exciting and absorbing game. But from the nature of the case *we* are out of it. The game as you describe it implies some resources. You can take risks because if the risk fails you have *something* to fall back on. The results of the economic exchange of services would only answer the account you give of it were the parties to the exchange fairly equal to make or refuse a bargain. But we, at least as individuals, are not.

We are out of your game as players in it, but we are the pawns with which you play

the game. We have not ourselves the basis of security on which to take risks or display enterprise—but when your risks fail, we suffer. As it looks to you, the game is one in which there are great and exciting prizes, but where, as in the caucus race in *Alice*, everyone who takes part gets some sort of prize; and, even as regards your relative losses, you at least have had your throw, and your efforts or failure in effort have had something to do with what happens. But the real cost of this exciting game of yours falls on us. When you fail you have a margin of safety for your private life far greater than ours when we are thrown out of work. What is perhaps more galling, when you succeed in this wonderful game of technical invention, we are again thrown out of work. Your economists tell us that these technical inventions which displace us will be better for us in the long run, but the “long run” may easily go beyond the span of our life. In the meantime we have to live.

That is not all. Your economists seem to talk as though the economic game was a game between individuals. In your part of it it may still be so to some extent. For most of you, even if you are serving big organisations, have the interest of planning and initiative and enterprise.

But the units of the system are not individuals but enterprises, undertakings, businesses. We are in such units but as instruments—things with which you do your planning, along with other forms of machinery. And one result of machine production and of our being considered along with machines as instruments is that what we are asked to do depends not just on our capacities but on what the machine cannot do. And our capacity has even to be denied to suit the machine. The principle of the division of labour is one thing when it starts with men's different capacities, and seeks to arrange that each man should do what he can do best; but this technical system produces a demand not for the exercise of our skill but for unskilled labour. You talk to us of the glories of individual enterprise, but individual enterprise is the last thing your machines want from us. Your machines take over all our individual skill and craftsmanship on which we prided ourselves, and ask us to be only undifferentiated human labour. We are only even bits of your machine because we respond to your commands, not because you need our initiative.

Finally, this system of production requires an immense amount of organisation and dis-

cipline. The management of men has become an important factor in technical progress. For you the economic system is a system of free relations, at least to a considerable extent. For us it is something quite different. You, if you are professional men, can sell your services without selling anything more, remaining otherwise free: we cannot sell our services without thereby submitting ourselves to factory discipline and giving others the right to order us about.

Under these circumstances we have long given up the idea that we can join in your game. We devote our efforts to collective bargaining. Though we are powerless individually, we find that if we stand together we can have some say as to the conditions under which we shall be used. We have by our Trade Union action managed to insist on a standard of life and conditions which you must observe when you treat us as instruments. Without that collective solidarity we should be nowhere, and all your remarks about Trade Union tyranny leave us cold. We know well enough that solidarity alone has given us some sort of status in the community.

I think that something like that would

represent the feelings of the Trade Unionist who is, as they say, "in revolt against the system". I have said nothing about wages, because I do not believe that wage questions are really fundamental. It can be pointed out to the working man that under capitalism his real wages have very greatly increased. As I noticed in an earlier lecture, for all the abuses men heap upon the industrial system, its lure of higher wages and a higher standard of life continues to drain the countryside. The Marxian thesis of the steadily increasing poverty of the proletariat under capitalism has turned out to be ludicrously untrue. Yet the Marxian bitterness remains. Capitalism has shown itself able to give a higher standard of living to a larger population than any other system. That broad fact is of course quite compatible with great inequality of wealth and with serious and widespread poverty, but that it is broadly the fact cannot, I think, be seriously disputed. The class-conscious working man is not really moved by having to acknowledge that "capitalism" has raised his standard of life, or that Bolshevism gives a much lower standard of life. It does not make the workman less bitter if you can point out to him that he has succumbed to the temptation, "All this will I

give thee if thou wilt fall down and worship me". No, what really concerns the wage-earner, I am convinced, is loss of status or personal dignity, in the sense that he feels that he is regarded as a tool or an instrument and nothing more. My experience of the organisation of labour in the army showed me that the same difference of view and the same feeling of antagonism could exist where wages and the cash nexus did not come into the picture at all. The fundamental distinction in an industrial society is not between rich and poor, property-owners and proletariat: it is, as our ordinary language often puts it, between the employing and the employed class, between those who take responsibility and manage and organise and discipline, and those who have no share in responsibility, who are managed and organised and disciplined. In the war, the Labour Corps, who were the employed, talked of the employing services in much the same way as workmen talk of their employers in ordinary life.

I refer in my last lecture to the remarkable piece of work which is going on amongst the unemployed in Lincoln. It was begun by persons who set themselves to understand the state of mind produced by long-continued

unemployment. The efforts of the Workers' Educational Association to start classes for the unemployed had come to little because unemployment had reduced these men to listlessness and despondency. The diagnosis given of the state of mind of the unemployed was that they felt like ghosts—they had no function or status in the community. The State, by the machinery of unemployment insurance supplemented by the Poor Law, has kept them alive. The State, recognising that unemployment is something over which the individual has little or no control, has set up an elaborate machinery of Labour Exchanges, Training Centres, etc., to get men back into employment, and has in the meantime arranged this unemployment insurance to support them. But it has done nothing, and can, I think, do nothing, for how they feel. It cannot restore their sense of personal worth or dignity. In our economic system, not to be wanted is to have no place or function. The conductors of this experiment reminded themselves that men at the other end of the social scale who are not wanted economically, that is, are not working for money, keep their moral self-respect by doing voluntary unpaid work for the community, and they resolved

to give the unemployed an opportunity of doing the same—with remarkable results in the reinstating of these ghosts as functioning members of a real society.

I cite this only to show how real such considerations of status and personal dignity are, and how true it may be that men will willingly leave the countryside for the higher wages of the industrial system, and yet bitterly resent the price they find they have to pay for them.

If this diagnosis of the widespread bitterness with which our industrial system is regarded is at all correct, the criticism which is implied in it is not a criticism of economic relations as means, not of buying and selling or exchange to further purposes, but a criticism of the relations of organising and being organised—or of commanding and obeying as factory production has introduced them into industry in a system where we think of nothing but economic efficiency. It is significant, I think, that we often hear people talk of the democratisation of industry as an ideal to be worked for, but seldom or never of the democratisation of commerce; democracy is a form of government, and because there is government in industry, we must ask what kind of government it is to be. But commerce

as such does not imply government at all. It is, I think, true that the simple relation of buying and selling, where both parties are fairly equal, is a freer relation than any form of government at all. Hence those of us who are mainly occupied with buying and selling are natural individualists. We resent limitations on our enterprise: we resent Government control: we resent Trade Union rules—and naturally, because we are freer without them. But in the organisation of men government is involved at once. And though it may suit the few for that government to be a dictatorship it is not to be expected that in a politically democratic society such forms of industrial government can be willingly accepted.

Now we need not discuss whether democracy is the only really Christian form of government. To maintain that would, I think, be an absurd exaggeration. But it is certain that no government has ever been successful which did not involve loyalty and personal respect, real mutual relations between men. Government must involve mutual respect and mutual co-operation. Money relations between men are in the true sense morally indifferent relations; they are in their nature

impersonal, and there are great advantages in the loose impersonal relations of buying and selling when men are not in close and continuous relations with one another. But real government can never be carried on on such an impersonal basis. And economic relations are not enough, and cannot possibly be enough, on which to form a basis for government. In so far as capitalism has tried to find a basis for the government of men in economic relations alone, making men submit to discipline and order from fear of dismissal, it has sought to base government on a principle which has never been successful and has always provoked bitterness. Contract and cash nexus are an excellent bond for relations which do not engage the personality. But no one can be in close relations with other men in the real co-operation which organised work involves, without giving himself; if he gives himself only on a cash nexus he is giving himself for money—*i.e.* he is selling something that ought not to be bought or sold—and yet if he refuses to give himself, he can only give grudging co-operation.

There is a notable passage in one of Rathenau's works, where he describes how the business man, once a man concerned for

individual gain, is being transformed into someone who serves a firm or business. The business is becoming a moral entity which men may well serve and be loyal to, and he holds out as the hope of industry the welding of all engaged in a firm's business, management and workmen alike, into a community of which all are members. Experiments in that direction, as we all know, abound. I am not concerned to analyse them, only to note them as one sign of how widespread is the uneasy feeling that real co-operation on a purely economic basis always proves impossible in the end.

We professional and middle-class people smile when we hear the phrase "wage-slavery", and it is of course absurd to say that working for wages is in itself slavery. It may be one of the freest relations in the world. When we ourselves work for money, we give definite services for money, *i.e.* in exchange for the power to get services from other people. Nothing could be freer, and the phrase "wage-slavery" has sometimes become almost a cant term in socialist circles. But we with our secure salaries shall not have understood the profound difference of position in the industrial system and in men's feelings towards

it, which I am trying to analyse, until we have understood how men come to talk of wage-slavery and to mean it. Aristotle describes a slave as a living instrument, and where men are treated as merely instruments, and their personality disregarded, they are being treated like slaves. We have somehow to retain all the present system gives us of organisation and planning, management and initiative and creative power—I see no way in which we can do without specialisation in such activities—and yet we must contrive, as we seek to contrive in any well-ordered community, that while men have different functions, all are made to feel real and respected co-operating members.

In all this there are two great counts in the indictment made by Socialism against our economic system, the accusations that it is evil because it is competitive, and that it is evil because it is based on profit-making and profits are wrong, about which I have said nothing, because I think these charges depend, not as the other upon labour's understanding of its own position, but on labour's misunderstanding of the position of the other side. To consider first competition. This surely need be neither immoral nor unchristian. Jesus does not tell us to give up our

desire to be first or to be greatest, but to turn it in the right direction. If we really believe in freedom and responsibility, we must believe in a system which allows emulation. To say, "Surely we should prefer co-operation to competition", begs the question. If co-operation means that we must all keep in step, all advance at the same rate, all hang together, I cannot see that it is preferable. It is possible to compete and yet to co-operate. The ethical value of competition depends on the rules under which it is conducted and the qualities it encourages. The competitive system in so far as it exists in modern business does not give its greatest rewards to saints. But then no system can be expected to do that. We are all called upon to be better than the system, but we are not to expect to be rewarded, in the coin of the system, for excelling the system. The sincere Christian in business will of course find himself tempted to do things which are so much *below* the mind of Christ as to be against it. That will always be true of work in any system. He will of course find that he is outstripped by competitors who have less scruples than he has. If he is going to demand that honesty must be the best policy before he can be expected to be honest,

he had better give up pretending to be a Christian. Beautiful things are hard, and we can't get away from it. A more fundamental criticism is that no system can be right as a system which involves competition, because competition means that the system is based on self-interest. That criticism seems to me fundamentally mistaken. Here again I found army experience very enlightening. In the organisation of labour in the army all were working for a common end, and there were practically no opportunities for private gain. Yet the various employing services, as they were called, competed for labour. For each employer was concerned, and rightly concerned, primarily with his own responsibility, and did his best to see that that was fulfilled as efficiently as possible. He took a natural pride in doing his own job well, on the right assumption that other people would feel the same sort of responsibility for their own jobs. It was someone's business, not his, to see that the competition which this attitude produced was kept in proper subordination to the interest of the whole. That is the old story of keeping things in their proper place. One must be prepared when necessary to subordinate one's own interests and one's own

work to the interests of the whole. But the interest of the whole may very well be served by lively rivalry and competition among its parts, and unwillingness to consider the interest of the whole may easily come, not from love of private gain, but from one man's whole-hearted absorption in *his* own job. The man I knew in the Army who made the most unscrupulous demands for more labour than was his share, was a single-minded enthusiast with a passionate conviction that light railways would win the war. His enthusiasm had to be restrained and his demands cut down, but his excessive zeal had nothing to do with private gain, but came from a devotion which was too short-sighted. Competition is, like economic relations generally, a very bad master, but it may be a good servant. Dr. Jenkyns left some money to Balliol College to found an exhibition which was to "encourage a spirit of generous emulation" among members of the College, and I cannot think he was encouraging evil in so doing.

But perhaps I shall be asked—do I seriously maintain that a world of business competition, however transformed by wise regulation, could reveal the mind of Christ? No, of

course not; but then no *part* of life, taken as sufficient and an end in itself, can possibly do that. But what I do seriously maintain is that denial of the mind of Christ is inherent not in the system itself but in overrating the value and scope of the system. And I would answer the question by asking another. Can you look on at a game of Rugby football and say that that, regarded as sufficient for itself and an end in itself, is a pattern of the mind of Christ? If you think seriously of the way in which players behave to one another in football, and consider nothing else, you may well ask "Can a Christian play football?" with even more seriousness than some good people ask "Can a Christian engage in business?" The right question to ask about the game is not whether it in itself reveals the mind of Christ but whether it is inimical to friendship. And I think the same question is the decisive question to ask about business competition. Business competition needs rules to subordinate it to the general interests as much as a game needs rules to civilise it. But that does not affect the general question of the legitimacy of a competitive system. We find it difficult, I think, to consider this question dispassionately, because the early defenders of

individualism talked such nonsense about competition being a good in itself and therefore something which must not be restricted or governed by any kind of rules. And we are tempted in reaction to regard it as evil in itself. Just so we may well be tempted to think the wireless *an evil in itself* if we listen only to jazz or hear it howling. But it is important to distinguish. For competition may magnify evil if evil is present, but the removal of competition would remove the aggravation but not remove the evil—would indeed bring other evils along.

Those who recognise that no system can as a system be perfect, that if we are to be Christians we must always be prepared to be better than the system, are sometimes told that the moral of this is that as Christians we can have no concern with the system at all, for one economic system is from the Christian point of view as good or bad as another. We have already seen an answer to that in the view that the aim of law is not to make people behave perfectly, but “to hinder hindrances to the good life, to encourage, support, and foster the good life, the living of which is and must be the concern of the individual”. It is our concern as Christians to understand and

try to cure the more obvious moral dangers of the existing system. Something of the same sort of misunderstanding surely lies behind the view that the making of profits is in itself wrong. It is true that in a system which is for other reasons defective, the principle of profit may aggravate evils which already exist, but that does not make profit in itself an evil thing. If we consider profit in itself, it does not seem clear why a man working for an assured salary is doing right while a man working for an uncertain profit is doing wrong. The distinction of which so much is often made between production for use and production for profit is only the distinction between producing for a known and producing for an anticipated demand. The power of intelligently anticipating demand may be as much a genuine and essential social service as the power of giving the service which is demanded. So long as there is an element of uncertainty in the supplying of demands, there must be profit. No one really supposes that when a small shopkeeper has to give up his position of depending on profit and becomes a salaried servant of a large business, he is thereby in a superior moral position, the evils of profit-making being taken from his shoulders and transferred to

the company. The real quarrel which people have with profit-making is their quarrel with a system which specialises responsibility, and with it profit-making, and divides the industrial world into those who take responsibility and those who have responsibility taken for them. Specialised profit-making probably does aggravate the evils of such a system. For it is largely responsible for the great economic inequalities of the present day. This does not mean that inequality is anti-Christian. It is not so in itself. Inequality in function is in fact inevitable, and with inequality of function must to some extent go inequality of fortune under any system of society. What matters is the equality there is among friends from the mere fact of being friends, or the equality of being in a real sense members of society. Such equality can easily exist alongside of a considerable amount of economic inequality.

But it is true that excessive economic inequality makes very difficult social equality of the kind which ought to exist. For great economic inequality, of the kind which our economic system produces, brings about differences of living and social outlook and habits of thought which it becomes very hard to bridge, and produces almost inevitably

those divisions and misunderstandings which are certainly evil.

I tried in my last lecture to show that a predominatingly economic system tended to corrupt our sense of values and make us mistake means for ends. I have tried in this to show how our industrial system tends to make it easy for men to treat other men merely as means or instruments, how there certainly is a widespread bitterness among men who feel that they are treated as instruments (a bitterness which accompanies industrialism all over the world), how our industrial society tends to be divided into two camps, each of which finds it extremely hard to have any understanding or sympathy with the other. Now we may of course have different views as to the extent of our social divisions, and the most various theories as to how they are to be cured, but no one can deny that the existence of these divisions and of this bitterness is a serious social evil, and that we all as Christians have a responsibility towards it. I want to end this lecture by reminding you that the division I have described is not only a division in point of view and sympathy: in our modern industrial society the division is becoming embodied in the outward structure of social life,

The German authoress to whom I referred at the beginning of this lecture draws at the end of one of her chapters a contrast between Berlin as it was in 1870 and Berlin as it is now. Then, she says, the centre of Berlin held the University, the Museum, the Court, the Cathedral, the business houses, and the dwellings of the rich and of the poor—the symbols of civilisation and the representatives of all classes. Now the centre is occupied almost entirely with business houses, the rich have gone to live in the better suburbs, and the poor are herded in working-class districts—in blocks of tenement houses where the only symbols of civilisation and the State are the Police Offices. The peasant who comes into Berlin from the country finds a city with class divisions stamped glaringly upon it. What Frau Hermes says of Berlin is true of plenty of places in this country—the great working-class districts of South and East London, the South Wales coal valleys, the working-class districts on the Tyne and the Clyde show the same segregation of the working class. The two nations whose existence Disraeli noted in *Sybil* eighty-five years ago are, I think, making for greater efforts to understand one another than they were then: but the scale of modern

business, the virtual disappearance of the family firm, is making it easier to treat those we manage as mere instruments or subjects for scientific or impersonal planning, and the physical distribution of our homes is making it possible for us to live the greater part of our lives wrapped entirely in the atmosphere of our own class, with little understanding of how the other part of society lives, and no kind of understanding of how it feels. To be friends with people, Aristotle says, you have to live with them. The physical distribution of classes in an industrial society does its best to prevent that happening, and so to prevent real friendship one with another.

LECTURE IV

ECONOMIC NECESSITY

THIS diagnosis of the evils of a modern economic situation is nearly completed. But before we turn to ask what we as Christians should do to remedy these evils, we must consider one last matter, namely the belief that it is the nature of an economic situation that nothing can be done about it, a belief which is at once one of the most serious of the evils produced by the present economic situation and a belief the discussion of which is obviously a necessary preliminary to any consideration of what we ought to do. For if the doctrine of economic determinism is in any strict sense true then there is obviously nothing we can do about the present economic system and nothing which we ought to do. And at that these lectures should stop, if indeed they should ever have been begun.

The widespread existence of the belief in economic determinism is in itself an evil with which Christianity must grapple. It is one

thing to recognise the existence of natural law. But that we should recognise things to be evil, and yet regard them as ineluctable and inevitable is surely a fundamental denial of any Christian conception of God. Christianity is a supernatural religion not simply in the sense that it proclaims the reality of another supernatural world beyond this natural world of becoming and decay. The redemption which Christianity offers is not a redemption by way of escape. The teaching of the Incarnation is a revelation of God, but it is also full of significance as to the real nature of man and of the world. Hinduism can acquiesce in the view that all the events in this world are rigorously predetermined and inescapable because it regards this world as illusion untouched by and untouching the reality beyond. But Christianity is a religion of hope and of good-will to men, and cannot acquiesce in the view that any of man's doings are incapable of redemption. It recognises the natural order as an order capable of being redeemed and transformed by the grace of God. To deny that the natural order can be so redeemed, to accept the evil as inevitable, is to deny the grace of God: to deny the existence of the natural order and to refuse to

recognise its laws and the tension of its laws is to suppose that there is nothing for the grace of God to overcome. To believe in "the glorious liberty of the children of God" is not to believe that there is no order or inevitability and that we can do just anything we like, that we can make of the natural order precisely what we please, that we are or should be capable of transforming the outer world to suit our individual pleasures or caprices. The love that hopeth all things and believeth all things is also the love that endureth all things. In the same way the Christian view of the economic order will both assume its existence and recognise its conditions, but will also believe that within the order and conditions there lie possibilities of evil to be overcome and of good to be developed. With the feeling of impotence and inevitability with which the economic order in itself is so often contemplated Christianity can have nothing to do.

What we then have to consider is whether this essentially Christian doctrine of hope is compatible with the nature of economic necessity.

With the extreme form of economic determinism Christianity is clearly incompatible. For that doctrine holds that economic rela-

tions are not only in themselves like any other natural laws determined, but that they in their turn determine all political and moral relations, and are indeed the only reality behind the conflicting appearances of social life. This is the economic variation of that school of science which makes the physical aspect of life also its determining cause. If that extreme doctrine be true, then morality and religion are alike illusions, only grotesque appearances taken on by the class differences produced by economic laws.

But it is possible without denying the reality of moral ideals to hold that economic relations are outside the sphere of moral effort, that they provide a rigid framework within which the moral life is to be lived. That they do provide a framework within which there is still room for moral action is, of course, true. For even those who believe that there is nothing inevitable about the existing economic system and that it can be shaped more in conformance with Christian ideals must also believe that within the system as it exists at any given moment there is room, indeed necessity, for courage and endurance and self-denial. We can recall the picture of the slave-ship captain at the beginning of *John*

Brown's Body and how, within his unquestioning acceptance of his trade, he had a high standard of conduct in regard to the victims. That was not much, and that it was so little makes us indignant, but it was something.

The point that I think we as Christians have to hold on to in regard to the economic as in regard to the political structure of society is that it is a framework necessary to the good life but not in itself that life. At any given moment it has, for immediate action, to be accepted as it stands and is in this sense for the moment inevitable. Nevertheless it is found on examination to have been determined by, as much as it determines, the needs and purposes of life itself; in a healthy and well-behaved society the structure hinders hindrances to the good life; in sickness or an unbalanced state of society it leaves hindrances and even makes hindrances to the good life which may have for the time to be lived with this burden of hindrances upon it, but which should never be accepted by the Christian as inevitable.

Whatever political or economic system we produce, we should be called upon to be better than the system, for it is we and not the system that is the growing point of life,

and to postpone moral effort until the system is perfect is to deny the independent reality of the moral world. But we are performing only half our duty as Christians if we rest content with being better than the system and do not believe that the test of our lives being the real leaven is that the lump will be leavened; that there is a true sense in which the Kingdom of God is achievable on earth.

We must all of us from time to time have some of the spirit of Plato's philosopher looking on at a world which in the meantime he has no power to change. "Now those who have become members of this small band and have tasted the sweetness and blessedness of their prize can all discern the madness of the many and the almost universal rottenness in all political actions. The philosopher sees that he has no ally with whose aid he might go to the help of the right with a chance of safety. He is like a man in a den of wild beasts. Share their injustice he will not, he is not strong enough to hold out alone when all are savages. He will lose his life before he can do any benefit to the city or his friends and so be equally useless to himself and to the world. Weighing all these considerations, he holds his peace and does his own work, like a man in a storm

sheltering behind the wall from the driving storm of dust and hail. He sees other men filled with lawlessness and is content if by any means he may live his life here unspotted by injustice and evil deeds till with fairer hope he takes his departure in peace and good-will.

“Well,” he said, “he will certainly not have accomplished the least of things when he takes his departure.”

But Plato, you will remember, goes on “Yes, but not the greatest unless he finds a constitution suited to him. For in a suitable constitution he will grow more himself and succour both his own and the public fortunes.”

But because in the moral world we have at any moment to take for granted the political system with its existing rights and obligations, that does not mean that we can permanently take it for granted that it is not our duty to shape it more into conformity with the mind of Christ. So with our attitude to the economic system. At any moment each of us has to take it for granted and recognise that, in spite of all its imperfections, disadvantages, and injustices, our station in it has its duties and its opportunities. That is no reason why we should permanently take it for granted and not try to make it more what it might be.

Others may rise superior to the temptations to which the economic system subjects them or make much of the starved opportunities which it allows them, but that is no reason why we, if we are responsible for their being subjected to these temptations and having starved opportunities, should do nothing about it. We may in the meantime be able to do no more than to ask the passionate question of an American poet—

Who has given to me this sweet
And given my brother dust to eat?

But any real passion in the asking of that question means that we shall soon find ourselves asking whether the distribution of "sweet" and "dust" is entirely the doing of God or of "necessity", and is not in a large measure the result of our own complacent inertia, our selfishness and carelessness and want of thought.

Let us then look at what many people would call the plain facts of economic necessity.

The general economic situation, however much it has come about by man's actions, has clearly not been willed by anyone. The stupendous changes which have come over human society in the last hundred and fifty

years have come about without anyone foreseeing or intending them. No one willed the Industrial Revolution. It was brought about by numberless acts of human will, but these acts of will were not directed towards one "far-off divine event"—one common purpose which they strove however imperfectly and haltingly to achieve. The numberless acts of human will which brought about this stupendous change were individual acts of will for small, near, self-centred purposes—this man's business and that man's profit—and at the end the net result for the common life was not some unfinished tower of Babel or some "star-ypointing pyramid", monuments of common labour for a preconceived purpose. The net result for the common life was a devastated battlefield where, in the course of conflicting human purposes, every sign of beneficent civilisation, of creative human love, had been ruthlessly demolished.

So it comes about that alongside of the minor actions which men, each man on his own, will and intend, there emerges a monstrous "economic necessity", which they do not will, which they cannot of their individual action change, and which sets the limits of their willing. If they disregard these limits

or suppose the laws of the system negligible they have to go out of business, for though men have, as we saw, a certain scope of action even within these limits, the system itself they apparently must take for granted. Nevertheless a study of economic history bears out the view that the economic system as it exists at any one time is not eternal or unchangeable. It has come into being and it is changing beneath our eyes. It has been brought about because men, as individuals, have been busy expressing each his individual purpose. And although the whole result of these actions of individuals is something that none of them either willed or foresaw, it is none the less true that this result is the outcome not of the impotence of the individuals' wills but of their uninspired effectiveness. The undesired result is the result of the effective action of individuals who acted acutely in regard to individual purposes, but blindly in regard to any great gradual common purpose. They lacked not power but vision.

And at the present time our vigorous economic actions are so little inspired and directed by consciousness of common human purposes and ideals that it would be marvellous indeed if the emerging economic situation were any-

thing but fatally and relentlessly destructive of human ideals. This is brought home to us strikingly if we contrast men's political with their economic action.

For the political system is in the main willed. It depends for its continued existence on man's actively accepting and willing the common political purpose and system. We realise that it has changed and can be changed, in its main features at least, by man's purposing and planning. We can trace the history of democracy from a theory and ideal till we see it gradually put into practice. No doubt the accomplished plan is very different from the ideal, but it bears unmistakably upon it the marks of the ideal. But do capitalism or the economic system as we know it express any preconceived ideal? Did anyone will them in the sense in which men conceived and willed democracy?

There is, of course, one obvious historical exception to what I am saying occurring now before our eyes. For the very men who most firmly proclaim the doctrine of economic determinism have set up in Russia an economic system which bears the marks of their ideals and purpose as clearly and yet with the same transformations between the ideal and

its accomplishment as democracy bears the marks of the ideals of the early democrats. Why should the very men who preach most determinedly the doctrine of economic necessity rebut it most emphatically in their practice?

The explanation of this paradox is just that economic necessity in one form at least is the inevitable result of individual uncontrolled freedom, and if a State repudiates individual freedom it can overcome at least that form of economic necessity. The whole problem of how to combine individual liberty with control it still leaves unsolved. For the necessity of economic law as taught by the economist and by Marxian alike is the necessity of chance. The actions of individuals always go beyond their individual intentions and have unforeseen consequences which are unrelated to and therefore at the mercy of circumstances. Their combined effect has not been willed by anyone or by all together. But it produces a new set of circumstances within which men have now to will and act. A simple illustration of this "necessity of chance" is to be found in road traffic. Suppose the sad experience of antiquated forms of traffic control surviving amongst new conditions and inventions had converted public opinion to complete *laisser-*

faire in traffic; just as experiences of antiquated forms of the control of industry converted men in the early nineteenth century to *laissez-faire* in industry. Suppose men insisted that it was no use to attempt to regulate or control traffic at all. Then the number of accidents on the road would be determined by the volume of the traffic, the blindness of the corners, and such matters. The individual motorist could himself do little but have a swifter, stronger, more easily controlled machine than other people. Now we cannot pretend that we have solved the problem of the road, the new problems created by the modern motor-car. It is only one of the many instances of invention over-leaping existing control and needing the thinking out of new forms of control. But no one can imagine that it is a problem which is in principle insoluble. No one says that because we can trace a correlation between the number and speed of vehicles in the road, the narrowness of the roads and the blindness of the corners and the number of accidents, we are dealing with scientifically determined conditions, and that we can only accept the toll of human life with grim complacency. We know perfectly well what work there is ahead of us to do. As the traffic evils we deplore are

caused not by this or that individual but by the unregulated actions of all, they cannot be governed by tackling this or that individual but by common regulation and co-ordinated action. Man must submit himself to regulations devised in the light of the evils resultant on unregulated freedom, devised in the interests of all. The purpose of those regulations is not hostile to the liberty of individuals. The general result is a general increase of man's power of fulfilling in security free individual purposes, though it may lessen opportunities for gambling for individual advantages in dangerously haphazard conditions. As nations seeking security in isolation are really seeking for war, so individuals seeking liberty in complete independence are bringing about a frustration of their will, are throwing their purposes to the mercy of the relentless necessity of chance.

Of course regulation as such does not necessarily increase liberty. Regulation to make man free must be informed. It needs knowledge of the facts, *i.e.* what necessarily happens if there is no regulation, and it needs what is more important, some self-denial, some readiness on the part of individuals to give up their momentary immediate individual

advantage; some care on the part of each for the good of all, some rising above ourselves and being born again. Knowledge and vision and unselfishness are wanted to give the regulation required for freedom.

If we maintain, as we well may, that the shaping and transformation of the economic life of Russia has been achieved at too great a cost in liberty, we must also remain unsatisfied until we have learned how to free our own liberty from the evils of an unregulated economic life. It is an old saying that the price of liberty is eternal vigilance. We too often take that to mean vigilant watch not on ourselves but on other people who are planning to take our liberty away. We do not nearly enough recognise that the real enemies of liberty are our own selfishness, our own laziness and want of thought, our stupidity and indifference in thinking out the common action and self-imposed regulation required to combine liberty with the common good, and our own unwillingness to make the individual sacrifices which such regulations may require.

It is an old story set forth clearly in Hobbes that the slighter and the less penetrating are the intimate relations of affection and loyalty and common interest between men the more

rigorous and autocratic and mechanical their government must be. Democracy is the fine flower of a democratic society, that is of a society where all count, where each cares for all. The more democratic the society is the less does the mechanism of government matter; the less democratic a society is the more has order and regulation to come from without, and the more mechanical the regulation must be. The same is true of regulation in industry. The more modern industry breaks down social relations, reduces men to hands, isolated units in the economic market, the more regimented and mechanical the relation between them will have to be. There is a true instinct in the perpetual dissatisfaction of the idealist with the machinery of the State, however mistaken the expression of that dissatisfaction may often be. For the character of State regulation and the extent of its interference are often commandments due to the hardness of our hearts.

As Aristotle saw, where there is perfect friendship there is no need for justice. But where there is no friendship there is no possibility of justice. Regulation and control of the economic system are necessary because our economic relations are so far removed from

friendship; they can be satisfactory in so far as they can be partially informed by it. The degree to which we annul by regulation the evil effects of unregulated economic relations, and yet retain what is precious in individuality and spontaneity and initiative, does not depend upon the nature of economic relations or of Government regulations as such; it depends upon the extent to which other forces than the purely economic or the purely political can inform society with brotherliness and lively care for the common good. A society of ruthless, unsoftened economic relations can be saved from anarchy only by a ruthless State. There is a notable passage in Halévy's great volume on *England in 1815* where he pauses at the end of the analysis of the economic effects of the industrial revolution and says—here is a society clearly and to all appearances inevitably moving towards an embittered class war and asks how was this averted—as averted it was. He answers, "Through the Wesleyan revival and its far-reaching effect on religious and social life in England". It would not be unfair on the other side to say that the measure of the ruthlessness in the Bolshevik revolution is the measure of the failure of the Christian Church in Russia.

But the necessity of chance is not the only kind of necessity with which we are confronted in economics. We have been so far contrasting necessity (the necessity of chance) with purpose, but there is also a certain necessity involved in purpose itself. We can see it in its simplest form in the implications of phrases such as "a decisive action", "committing ourselves". It might be called "the necessity of consistency". We can do nothing without a plan or policy, and once we have begun our planning according to an inner purpose we do commit ourselves to that plan or policy. The degree of necessity which it may have will vary. It may be more or less elastic, but some limits it will have, and within those limits we must act. "For soul is form and doth the body make." We are apt sometimes to think of freedom as if it meant a series of undetermined non-committal acts, each entirely separated from what has gone before. Yet we know by experience that this is not so: that the man who fears to commit or pledge himself never does anything worth doing: that freedom means, as Kant showed, giving yourself your own law and accepting all that that involves.

It is the negative side of this necessity which

defenders of economic determinism describe in the phrase—"You can't get a quart out of a pint pot". To which the answer is, "No, but now that we know that a quart will be wanted, let us see to it that there is a quart pot with a quart inside next time". So a housewife might say to a hospitable but thoughtless husband: "If you had let me know you were asking all these people to dinner, I could have done something about it, but it is no use pretending that four cutlets will go round eight people."

It follows from this that in dealing with a situation as complex as the industrial system we may have to distinguish between what we can do in the meantime with the situation as our past actions have produced it and what we must do to produce a more fruitful situation in the future. Some of us will be called to deal with the immediate emergency and others to work in faith planning for the more distant future. Those of us who are called to one of these tasks will have to have patience and understanding with those who are called to the other, for certainly both are needed. All thinking that is born of generous passion and indignation with oppression is apt to be apocalyptic and the apocalyptic character of much socialist thinking is evidence not of the

futility of their thought but of the generous over-impatience of their hearts. What is difficult but necessary for any fruitful grappling with social evils is to combine the passion without which nothing great is ever brought to birth with the patience of faith. "When these two meet a point of time is ours."

O how comely it is and how reviving
To the spirits of just men long oppressed
When God into the hands of their deliverer
Puts invincible might
To quell the mighty of the earth, the oppressor,
The brute and boisterous force of violent men
Hardy and industrious to support
Tyrannic power, but raging to pursue
The righteous and all such as honour truth.

But patience is more oft the exercise
Of saints, the trial of their fortitude,
Making them each his own deliverer
And victor over all
That tyranny or fortune can inflict.

There is, then, a necessity involved in all purpose, but it is especially evident in the collective purpose needed for social action. We have seen in studying the necessity of chance that it is produced by unorganised action of many individuals and can only be corrected by the informed and organised collective action of individuals. We have also

seen in the last lecture that some of the evils of the present economic situation come from the form taken by economic organisation. We must recognise that there is this necessity, which we might call a necessity of organisation or of structure. Some types of organisation will tend to produce certain results on the human relations of those engaged in them and will demand certain qualities of heart and head if they are to be helpful and not destructive. Social reformers have often in the past concentrated on one aspect of the economic system, the private ownership of capital, as though once that aspect were changed all would be well. But in so far as certain evils in the present system arise from the fact that the type of organisation prevalent in industry treats men as cogs or mere instruments, then so long as that type of organisation remains those evils will remain whether in a capitalist or Bolshevik State. I have already noticed how the bitterness of feeling between the employing and the employed class reappeared in the organisation of labour in the army, where private ownership and the cash nexus had disappeared. This bitterness was largely removed by the invention of a new type of organisation. There is an interesting passage in Bertrand

Russell's little book on Bolshevism where he explains that among the men organising the Communist regime are "men with the same sort of ability as is found in the American self-made Trust magnate, but working for success and power—not for money." The type is made by running despotically an organisation whose aim is to be mechanically efficient. "The Bolsheviks," Mr. Russell continues, "love everything in modern industry except the excessive rewards of Capitalism."

Now if Karl Marx was right in his analysis of the effects of capitalist organisation that it concentrated all the planning and skill and initiative in a few hands and reduced the great mass of men to unskilled workers, then public ownership will make little difference unless it is accompanied by a change of system, for the system will have on the whole the same effect however it is owned.

I should like to quote some sentences from a working man's letter which puts in vivid terms how a mechanically organised system feels to those who are working in its grip. I will quote first his description of a fellow-worker: "I went to repair a hydraulic saw one day. The man who worked the saw was in a terrible state, he was just picking up his

cap from the floor, he was agitated, he kept saying, 'They can sack me,' he repeated it many times. I understand he had thrown his cap on the floor and had been stamping. He had cooled a little when I arrived. The truth was he could not possibly do the work at the price. He had been trying and the result was he had broken the machine. They had got the last ounce out of him, they did not discharge him. He had four children and a wife who was not strong, so they took advantage of his position and also his nervous temperament and squeezed the poor fellow dry. I shall never forget the state he was in. Never in all my life have I seen such conditions."

Then he goes on: "I started life in my father's shop. When he had a man or boy who could not do a job, he would show them how to do it, but of course, that is going back to the domestic system. Even the head foreman dare not say it is impossible for the man to earn anything on the prices given, because he is afraid of being discharged. You could not get a foreman to take the side of truth under any consideration, because he knows if he does he will be discharged sometime or other 'owing to reducing the staff for economies' sake' or 'shortage of work'. My chief,

who was discharged last November, was one of the best men it was ever my privilege to work under: he was one of Nature's gentlemen. He organised the shop and reconstructed it for the American company. His qualifications were of the highest, but he would not drive his men. The last few words I had with him when he was working with us were about controlling men. I told him that my father always said, 'Treat a man as a man and you will get a man's action'. Then he said he had always tried to do his best and to treat men as men and he always should. He said he had to get more work out of us millwrights somehow, the management told him we were not doing half enough. He often talked to me: he found I had had a good experience: he asked me if I thought I could get more work out of the men if I was in his position. I said, 'No, that was impossible': he seemed relieved. Then he told me they would not hear reason, arguments were useless: so he left the conference and told them to do as they liked. The result was he was discharged and other men too. That man was the most just man I have ever worked under and he also had the highest technical qualifications on the place from the top to the bottom, but of course he lacked

driving power. The men who are chosen today are not men who have studied their jobs but drivers. The system is that the directors never interfere with the management, so it is no good a man complaining, he may complain to the foreman but he takes little notice: he dare not, and so every foreman tries to squeeze the men the same as the rate-fixing department—to keep their jobs.”

In this morning's paper (April 4, 1932) there is an account of a failure of a great Soviet manufactory at Nijni Novgorod because there has been too much interference with the management by the workmen and the discipline has not been sufficiently autocratic. This highly organised autocratic system of industry against which the writer of that letter is in revolt *is* efficient. It is comparatively easy to organise. The principles of business management can be standardised and taught in business schools and colleges. It is, I am convinced, in its tendencies fundamentally unchristian. But it is not going to be superseded by pious aspirations or by blind revolt. We have to learn how to produce a type of organisation which in my correspondent's words will “treat a man as a man and so get a man's action out of him”, and yet will be essenti-

ally as efficient as the other system. That cannot be done without real understanding of the possibilities of organisation as well as of human nature. To some of these possibilities the non-idealist is blind. His mechanical methods of organising men involve a futile waste of all kinds of capacities which come when men are working in the right human environment. But the idealist is sometimes as blind in his own way to the facts of human nature, and what we need in this matter is a sanctified common sense.

An illustration will make my point clear. One of the most efficient economic organisations in England—efficient at least within a certain limited sphere—is the Co-operative Store: the whole movement known as co-operative distribution. This movement stands out against the competition of the chain store as the small shop is entirely unable to do. Like all organisations it has its faults and limitations, but taken as a whole it is a great and inspiring organisation, and a bulwark of working-class life in England. It is the fruit of idealistic revolt against the new industrial conditions, the revolt of Robert Owen, and after him of the Christian Socialists, such as Charles Kingsley and Thomas Hughes. With-

out that idealism the movement would never have come into existence. Without its continued success in enlisting in its service the loyalty and ideals of countless ordinary men and women, it would never have retained its economic efficiency. But its success is as much due to the particular way in which the aspirations of the idealists were applied by the hard-headed Lancashire operatives of Rochdale who invented the device of the dividend upon purchases and thereby worked out a system which asks of the ordinary man and woman an amount of loyalty and sacrifice which ordinary men and women are prepared to give continuously. They thereby produced something very different from the concrete ideal pictured by the original inspirers of the co-operative movement. That marriage of the ideal with the possibilities of the concrete human situation has got to be performed again and again if we are going to change our economic system as it is capable of being changed.

LECTURE V

IN the last lectures I have been trying to diagnose the characteristic evils of a predominatingly economic civilisation. I have argued that they depend upon the perversion of means into ends, that secondary human relations tend to seem more important than primary: that the world of secondary human relations becomes a world of second-hand values: that we become so absorbed in activities in which we are treating men as means or instruments that we forget what is necessary—to treat men as ends: and that all this tendency is magnified and strengthened by the fact that in modern industry the organising and managing of men as one among other instruments of production is of fundamental importance. All this perversion has produced a profound division of sympathy and outlook in our modern society, often attended with bitterness and almost always with misunderstanding, and this separation of sympathies has now found physical embodiment in the segregation of well-to-do and working-class districts;

so that, to that extent, the outer structure of society is a hindrance, instead of hindering hindrances to the good life.

I propose in this lecture to consider what kind of action this situation calls for on our part—what we as Christians are to do about it. Obviously any constructive proposals we may think of can only be tentative, or, rather, will only concern themselves with the direction of our efforts. We are not asking what we think God ought to do about it: we are not even asking what the executive or the legislature or the trade unions, or any other not ourselves, whose business it is to make for righteousness, ought to do about it. One evil effect of the vastness of scale of modern organisation is that we are inclined to feel quite helpless as individuals except in so far as we support this or that organisation in demanding that not we but the organisers or administrators should do something. We saw in the last lecture that some of the evils of the system can only be cured by collective action, and that collective action will ordinarily mean political action. The Christian view of the economic situation will have to express itself in politics, and the kind of political action which it will involve will depend partly

on political conditions and possibilities. But I am not concerned in these lectures with the relation of politics and economics. I am concerned with the relation of Christianity to economics, or, if we are to think in terms of organisation, the relation of the Church to economic questions, and I think that in those matters the Church has a specific and vital part to play, complementary to but distinct from the part to be played by the State. By "the Church" we must mean the whole body of Christian people *including ourselves*, not "the Church" in the sense of the clergy or bishops or Church officers, whose business it is to do things for us. I, not as my natural self but as one of those who profess and call themselves Christian, must be the starting-point of action.

Now if I am right in holding that the main moral danger of our economic system is its perversion of our sense of values, our primary duty in regard to it is clear—to remember the words of the Gospel, "where your treasure is, there will your heart be also"; to set our affections towards the things that we know are of highest value, to act continually on St. Paul's words, "finally, my brethren, whatsoever things are true, whatsoever things are

honest, whatsoever things are just, whatsoever things are pure, whatsoever things are lovely, whatsoever things are of good report: if there be any virtue, and if there be any praise, keep thinking of these things”.

It is of course at all times the business of the Church to recall us to God. The needs and problems of the social system in which we live to-day make that not less but immensely more urgent than before. Just because we live in a world which is more than usually distracting and more than usually occupied with instruments and secondary values, we need more help, we need to make more than usual efforts to feed our hearts and imaginations with things that really matter. An attitude of mind which seems simple to one brought up, say, as Wordsworth was, has with most of us got to be sought and cared for, to be cherished and fed.

This is obvious and rather old-fashioned advice, but I sometimes think that we are forgetting, and that the Church is forgetting, how essential it is. We are accustomed nowadays to say that Christianity is a way of life. If we really made it so, it would show itself in our methods of production and of consumption as well as in anything else. We are

accustomed nowadays to deride what we call the inhibitions of Puritanism, largely because we can hardly understand that people ever really tried to act on the principle of St. Paul's words, "Whether therefore ye eat or drink or whatsoever ye do, do all to the glory of God". In our demands and wants we have capitulated to the pressures of the economic system which we have installed. Puritanism had perhaps too narrow a view of God, and therefore too narrow a range of values, but Puritanism was entirely right in believing that our religion *must* show itself in the way we manage and care for ordinary things. In spite of all the power of any installed system, the last word is always with the consumer if the consumer has real wants and real values of his own. That is the lesson which Ruskin was always teaching to his generation. We need the lesson not less but more than they did. For Ruskin does recall us specially to one aspect of the Christian Gospel which to-day we are peculiarly tempted to forget. I spoke in the last lecture of the "necessity of consistency", of what is involved in committing ourselves to what we believe in. And we might almost describe Ruskin's work in one respect as recalling us to what is involved,

by this "necessity of consistency", in the Christian belief that the earth is the Lord's and that we are God's children. Jesus revealed to his disciples a quality of life, present potentially everywhere, in virtue of which he could teach them to pray "Thy will be done on earth as it is in heaven". They were not to look for this quality only in those parts of life *they* thought important, but everywhere—the flowers of the field, the sparrows, the eleventh hour labourer. It is a lesson which pure science to-day powerfully reinforces with its revelations of unsuspected order and wonder in the physical universe. But it is a lesson which is weakened and obscured for thousands of men and women who live to-day in a world mechanised by commercialised science and dominated by second-hand values and experience.

There is this further to be remembered. When we come to consider what we can do about this impersonal economic system, and how some of its evils are to be controlled, we find that, to control it, we have ourselves to take to organisation and planning, to systems and committees, till, if we are not careful, we become subdued to the nature of the material we are trying to fashion. The creating of organisation and system to check the

evils of the economic system is apt to be a spiritually dangerous trade. Those dreadful creatures whom Dickens portrays in *Bleak House*, Mrs. Jellyby and Mrs. Pardiggle, and Mr. Quale, still exist amongst us. And we tend nowadays to put so many duties on the Church that it has too little time for its chief and main function. Plato thought that political constitutions and economic organisation were the reflexion of the values in people's souls. Really there is always a struggle going on between the soul and its environment, and in so far as our wants and habits are determined, not from within but from without, by the economic system, the environment has won and religion has been beaten. The practical moral is, I think, that our efforts must be proportioned to our powers. We must believe in quality of the individual life rather than in quantity of individual effort.

Further, if it is the case that the tendency of the economic system is to immerse us in secondary relations, we need to recover not only our sense of God but of ourselves in God, and really learn to care about human personality: and we cannot do that unless we learn to care about quality in the smaller worlds of personal relations, to practise that kind of

knowing and caring for one another that takes time and love—something which cannot be produced by organisation or by mere method. In the small circle in which we have control we have got to learn to put first things first, and we can only do that by caring for them enough. Unless we know in intimate experience what true friendship is, what is the use of beginning to think of moulding economic relations more on the pattern of friendship? We have to learn that these values cannot be got on the cheap, by organisation and system apart from practice. We have got to cultivate, not only in our worship but in our human relations, reverence and sanctity. We must treasure anything that maintains and raises spiritual standards and learn really to believe in them. We must have something of the faith which Jesus had when he turned from the multitude and concerned himself with the twelve—yes, and when he went into a desert place apart and there prayed. We need the Practice of the Presence of God.

But if we are as Christians to be concerned with God and the soul, that is not to mean that we are to take to them as a refuge. As we saw in the last lecture, there is a strong tendency nowadays to give up the economic

system in despair or in a mixture of despair and hope: to say that nothing can be done about it, but that that does not really matter, because life can be lived in our personal relationships and our homes.

We have rejected that as a counsel of despair, as useless as most counsels of despair, and have argued that the rigid doctrine of economic necessity with which we are sometimes confronted has been exploded both in theory and in practice; that the results of unrestricted economic activity can be controlled and modified by collective action: but that on the other hand the economic system is not just alterable at will—that like other things in the world, and like man's actions in other spheres, it is full of necessities, in the sense that if you want certain results, they are always found to involve some price, some further consequences. But there is a very real and practical sense in which Wordsworth's words are true that the mind is fitted to the external world, and also—"theme little heard of among men"—the external world is fitted to the mind; and that there is no final need to sit down under systems and conditions which obviously are misfits of the human mind at its best.

How far the economic system is really alterable is, I think, quite strictly incalculable. That is true of all efforts to realise ideals. What happens is never exactly what the reformer pictures himself as accomplishing; it is sometimes less and sometimes more. Our business, it seems to me, is not to let our will be paralysed by the demand to know exactly how far we can remould the scheme of things, but to make up our minds to grapple as strenuously and wisely as we can with what is obviously evil in what we see in front of us. The process of strengthening our hold on spiritual values is bound in itself to affect the economic system. Wanting things does not of itself make them practical, but wanting things enough is the first step towards getting them. There is a very practical sense in the admonition:

to hope till hope creates

From its own wreck the thing it contemplates.

And the Gospel speaks the same language. For a man's being born again is his achieving of the good will, the absolute desire that God's will shall be done on earth. "Ask for God's ways on earth, and you shall receive: seek them, and you shall find them."

But I fancy that what troubles most of us

at present is rather our practical attitude towards the present economic system. We are confronted with the attack on the system which I described in the third lecture. The attack is made, we must remember, with passionate conviction by the workers employed in the system; and this attack practically says that the system as a system is so evil that we cannot tolerate or accept it and go on at the same time pretending to be Christians—any true Christian must strike his axe at the root of this tree. Now we may reject the contention that no one can be a sincere Christian who is not a Communist or a red-hot supporter of Labour politics, and yet we may believe that we have got certain responsibilities towards the system as a system. We may, that is, believe that we have no right just to say, "Let us all try individually to be as good and Christlike as we can, and the system will alter itself".

If the diagnosis of the preceding lectures is at all correct, we should have to acknowledge that in a modern industrial society there is a situation which before our eyes is producing bitterness, and that the tendency of the structure to produce bitterness and division and want of sympathy must be acknow-

ledged and corrected. Acceptance of such bitterness and divisions is too high a moral price to pay, whatever it be that we get by paying it. We cannot pray "Lead us not into temptation", and feel no responsibility for the desperate moral dangers of the present economic system. That is surely only common sense, apart from the question as to whether or not it is Christian.

Let us agree, then, that the tendency of our modern industrial system to produce divisions and bitterness is an undoubted evil towards which we must as Christians feel ourselves responsible. Suppose that we can go further and can accept the diagnosis offered in the last lecture—that the fundamental source of that bitterness is the attempt to base government or close co-operation and organisation among men on a purely economic basis. Supposing we agree that it is always wrong to treat men as mere instruments, and that any type of industrial organisation which buys close co-operation with money only is essentially using men only as means. What is our duty as Christians in regard to it?

The claim sometimes made by extreme socialists that if we were sincere Christians we should join with them in denouncing capital-

ism, we may reject on the ground that capitalism is the name for a very complex system in which tares and wheat are growing together. But we might go past their indiscriminate denunciation, and yet say there *is* in the system something which flourishes because of a denial of what the Christian must think fundamental in human nature, and we can be confident that this flaw in the system ought to be remedied.

I feel sure myself that when the particular evil is remedied, and the beginnings of its being remedied are already apparent, we shall still hear conflicting interpretations of the change. Terms such as capitalism are used by different people with different connotations—some cut down its meaning to sharply defined limits, some use it to cover the vague complex which includes the one sharply defined element. So, when the relief is felt, the side concerned with the strictly defined use of the word will say, "There, we told you you could never get a more satisfactory system without retaining capitalism", and that the other side will say with equal assurance, "There, we told you that you could never get a satisfactory system without destroying capitalism". But our concern here is not with

future achievements, nor with the allotment of credit for what shall be achieved: but with the question as to whether agreement that the defect must be remedied means that we ought as Christians to agree in a programme for the remedy. Ought the Church to think out its own specific solution, or have its own declared attitude towards one or other of the various solutions which economists or politicians or statesmen have propounded or are propounding? I think the answer to that question is clearly "No". For the choice of a specific remedy for a defect is in part a political and technical matter. Its rightness will depend not only on our keen sense of the moral evil to be fought and remedied, but on our understanding of how institutions work and how far existing institutions are capable of change. Men might perfectly well agree on the evil to be remedied, might be equally in earnest to do their utmost to effect an improvement, and yet honestly take quite different views as to what were the best means to effect the desired result, and this honest difference ought not to mean a necessary religious estrangement. I revert to what I said in the first of these lectures as to the relation of politics and Christianity. The two co-operate

most fruitfully when each does its own work. But each must do its own work, and neither must forsake its own work to intensify or speed up the work of the other. The humanity and wisdom obviously needed to leaven and inspire our economic system can never be achieved by speeding up and perfecting technical efficiency. They can only be achieved by a patient practice of the presence of God; but this constant attention to a constant need will not relieve us of our duty in regard to secondary and tertiary considerations which will always arise and will always have to be dealt with in their degree in every changing situation.

It is the business of the Church to give us spiritual sustainment and enlightenment, but not to do the political work or to issue pronouncements on the technical questions which that work involves. We need general inspiration, but we need also to impress upon ourselves how important administrative and technical work always is. Many men will and ought to get from their religion a sense of how high and worthy a vocation politics and social administration may be. To urge men to do such work, to give their very best to it, is the Church's business—to tell them how to do it is not.

We may be, confident, I think, that the defects in the system will really only be cured by those who are inside the system. There is not the least likelihood of the Church thinking out a programme for industry of any value. It has not got the technical, economic, or political knowledge. No doubt some of the impatience which those in control of industry display at the criticism of outsiders is the impatience which we always feel when our obvious defects of conduct impel other people to call our attention to our duty. But some of it is the much more justifiable impatience of people who know the real difficulties of their problem when they are given advice by outsiders who know very little about it. If industry is going to evolve a type of organisation which both provides the necessary scope for initiative, enterprise, experiment, leadership on the one hand and also evolves a community in which all feel themselves members, co-operating on equal terms, those concerned in industry must work out many problems for themselves. At least all the probabilities of the case point in that direction.

Is, then, the answer to this question that the remedying of the defects in the system is a political matter, and, for the relation of

politics and Christianity, see the first lecture? Is that all there is to be said about it? I think not, and that because of the particular nature of the evil we are considering. The evil we are considering is bitterness and divided sympathies and distrust. The defect in the system has produced an impotence which is moral. The essential condition for the solution of the technical problem of finding the right kind of organisation is a moral and spiritual condition—the breaking down of those barriers of misunderstanding and mistrust, the inspiring of us all with a new respect for human personality and a determination to treat one another as ends.

To bring about this necessary preliminary condition is surely the Church's business and the business of us all as spiritual beings. We must feel that the Church is failing in its function if and when the Church does not inspire its members with a determination to pull their weight as spiritual beings in the social and political society in which they live. We ought all to be able in all spheres of life to make each other feel that our belonging together as children of one Father is more than any differences between us. We can all

be socialists in this one sole sense that in our relations with others we recognise that our common humanity alone gives meaning and worth to our differences and specialisations. And this is the essence of individualism.

If the Church could really bring it about that our Christian equality was more than our inequalities in function and skill, the task of finding the best kind of organisation or of remedying defects in existing organisation would be directed by vision. The roads we planned and laid down would lead towards an acceptable goal and not to a devastated area. But to make our Christian equality real in our ordinary imagination, in our everyday lives and in our economic treatment of one another, requires no less than being born again. We are faced with a divided society where each side finds it hard to understand or sympathise with the other, where everybody agrees that co-operation is essential but where neither side is really prepared to pay the only price which can be paid for co-operation that is real—a whole-hearted mutual respect—a community where men all are really members one of another, however different their functions and however unequal their capacities. It is surely the business of our

Christian profession to act towards one another in the spirit of Christ's word, "Henceforth I call you not servants, but I have called you friends". We assent theoretically to such a principle and we even make fitful efforts to put it into practice, but with how few of us does it enter constantly into our conscious and unconscious lives.

We are only individuals and the economic system is far-reaching and powerful. But we can, as Christians, rightly take comfort from Christ's assurance of power to the two or three gathered together in Christ's name. As individuals we are not powerless. We can each of us try actively to understand both sides in this controversy and, by understanding, bridge for ourselves at least this division which is threatening a cleavage of society. We can every one of us refuse to submit to the moral and spiritual segregation which economic conditions are bringing about. If we all saw to it—as we easily might—that our own small circle of friends cut across the division of classes, we should at once help towards bringing about the condition we desire. Wherever that is being done something fruitful is happening. But it must be done whole-heartedly. We have got to abolish what I sometimes

think is the most sinister of our social divisions, the disastrous division of men into those who do good to other people and those who only have good done to them.

Is this all there is to be said to all the bewildering difficulties of our social system? It sounds a very meagre programme compared to the detailed lists of condemnations of anti-social practices, for the elaboration of which Mr. Tawney so commends the mediæval and the post-Reformation Church. Ought not the Church to set itself to bring these anathemas up to date by compiling a new list of economic sins? But if we are at all inclined to think that that is what the Church ought to do, we should remember that not once but several times Mr. Tawney, while commending the pre-Puritan Church for its teaching in economic matters, also notes the comparative inefficiency of that teaching. And it is difficult to resist the conclusion that the ineffectiveness was due not to the inevitable gulf between precept and human practice but to the fact that the condemnation came from people who lived outside the practical difficulties. One set of men, the clergy, were laying down rules for another set of men, instead of inspiring these men to lay down rules for

themselves. All this does not mean that the times do not call from the Church for a prophetic ministry. It is the Church's business to awaken men's consciences to what they are doing, and individual members of the Church and individual ministers will be called on to take a stand against social injustice, and to take sides in economic disputes. A Church which does not produce such prophets is in a bad way: but the prophets will have to take their stand on their own judgement of the facts. The stand they take will be at their own peril. They can't assume that everyone else who accepts their principles must share their judgement of the facts. They can't demand that the whole Church shall act with them. But the Church must welcome and thank God for its prophets, and guard with jealous care its liberty of prophesying; and many a prophet may find, when he thinks he is alone, that there are seven thousand in Israel who have not bowed the knee to Baal.

But apart from that it seems to me no use asking just what can be done for an economic system whose defect is that the men who have had most to do with shaping it have almost necessarily been isolated from the men they are using as instruments—at least no good

asking what we can do unless and until the central defect is dealt with.

But on the other hand I do not see any limits to what might happen once this central defect was remedied and we began to inspire the economic system with a real sense of Christian equality. And my experience is that so soon as men and women begin to put this principle into practice they find they are almost overpowered not by lack of openings but by so many openings that they are let in for more than they themselves can possibly follow up. All kinds of opportunities for fruitful definite work open before them which could absorb not only their efforts but the efforts of any number of helpers. Once we mean business as Christians we must see to it that there are many labourers for the harvest.

There is one other point which I think troubles us a good deal. What in the face of our economic system is the modern equivalent of charity—of charity in the gracious, beautiful sense of the word. The degradation of that word is a dreadful thing and also a very perplexing one. Of course we all of us come across opportunities of helping people we know well enough for the help to be something that can go from friend to friend. But

there is so much distress to which we cannot give ourselves; and it is because we so often give money without giving ourselves that the name of charity has been debased. And we are sometimes inclined to think that distress on a great scale can only be met by organisation on a great scale and should be left to the State. We can only do harm by casual giving without friendship, and yet casual or official giving is the only way in which we can do anything for distress outside of a very narrow circle. And of course our social segregation enormously increases this difficulty. Are we to acquiesce in the fact that the giving of relief and assistance in our complicated modern system is a skilled professional business, to be left to professional people? That does seem to be what is happening. Private charity is becoming public assistance and good works provide a professional career. The amateur, we are sometimes told, may easily do more harm than good. I have heard it suggested that the whole work of assistance ought to be taken over by the State. A Civil Service would do it all very much better and more scientifically than private individuals. Why should such a thought fill some of us with dismay? It would still be a fine and necessary work, as

all such public service is, and the more people there are taking part in it who are inspired by the spirit of Christ the better. It is a great deal of it tiresome and rather thankless drudgery which never achieves spectacular results and which needs great patience and faith. And the real efficiency of this public assistance will always depend upon the vast number of public-spirited men and women who give their time ungrudgingly to it. But it must be mainly administrative work and bound by rules and regulations which must go with the administration of public money. If this is charity at all it is regularised charity—and in the old and beautiful sense of the word regularised charity is a contradiction in terms. Are we, then, to suppose that all the humanitarian work of the Churches is now over or ought to be over, that all such work should be transferred to the State?

I am sure that such a view is profoundly mistaken. The old distinction between law and grace, between what can be regularised and systematised and given the compulsion and comprehensiveness of the State, and the spontaneousness and overflowingness and unexpectedness of charity, is far too fundamental to be superseded, though the old distinction

may easily take new form. We could not possibly meet the need with which we are confronted on the scale on which it confronts us without public assistance. But the kind of help which public assistance can give can never meet such need unless it is supplemented by the gifts of person to person. The more the State extends its sphere of administration, the greater, not the less, is the opportunity for this spontaneous undemanded help of individuals.

One or two instances will perhaps make clearer what I mean. Consider for a moment the problem of prison reform. The administration of prisons is clearly the business of the State, and one of the functions in which the compulsory character of the State is and must be most apparent. The State in former times took its duty very lightly and left the administration of prisons largely to chance, with, as is well known, the most appalling results. Now in consequence of long agitation we have instead the orderly, tidy, regularised prison of the present day. But we still have the complaint from those who make it their concern to know that our prison system is no more remedial than it ever was. I do not myself see how a prison system regarded strictly

on its authoritative side could possibly be remedial. Law cannot be remedial. The demands which some people make on the prison system are really demands that there should not be a prison system. But what has been happening lately with much more hopeful results is that we have begun to distinguish between the work of the compulsory prison authority and help given to prisoners by private persons and voluntary organisations. Accounts which I have read of the remarkable results of educational experiments which have been made in some of our prisons show that these have been characterised by an entire independence from the prison authorities of those taking part in the work and an insistence on its voluntary character. Naturally, "I was in prison and ye visited me" does not sound the same as "I was in prison and you were paid to visit me".

As another instance I might cite the way in which, in a distressed area in South Wales, Government machinery to deal with necessary transference of labour from one district to another would have been entirely impotent because the machinery had been devised without a sympathetic understanding of the people to whom it was to be applied, and so those

people were full of suspicion and distrust towards any governmental action. That division was bridged by one or two people who had, because of their selfless devoted work, won the confidence of both sides. And through them the whole situation was changed.

And lastly, I should like to refer again to the work at Lincoln which, by means of individual devotedness, has grappled in a most remarkable way with the moral and spiritual effects of long-continued unemployment, with the state of mind of these men who felt like unwanted ghosts in the community. For this moral and spiritual effect is one of the most, if not *the* most, serious things about unemployment, and something for which the machinery of the State and the organisation of the trade unions can in the nature of the case do almost nothing. We discuss, as we ought to, schemes for increasing employment, but we are apt to think that so long as, meanwhile, we give men bread they can live on that alone. This work at Lincoln has been creative of good because it has been done by men helping their comrades—not by officials or by superior people—and because imagination and sympathy and devotion have been given without stint.

These are a few instances among those I happen to have come across myself. The moral of these and of many other similar instances which anyone could produce is the same. Of course we want law and administration and scientific skill in dealing with our economic disharmonies, and we want them as good and as skilful as they can be. It needs all the knowledge and hard thinking that can be put into them to make them so. But the idea that we can bring about the kingdom of God on earth by more scientific administration alone is absurd. Unless the working of law and organisation is inspired and kept sweet by all kinds of brotherly helpfulness between ordinary people, it may all be just sterile and impotent.

Mechanisation, technical skill, administration can never make life, they can only magnify and sustain it. Their use presupposes the integrated life. They never can of themselves produce the living impulse which gives inner determination and character to a society where all are members one of another. Such a society exists only where every member possesses a certain quality of dignity and worth in common. And we must realise that one test which all administration and all technique

must pass is that it does no outrage, for great or small, to this essential common quality. In such a society no administration, however perfect, can take the place of charity which suffereth long and is kind, which beareth all things, believeth all things, hopeth all things.

Because nowadays so many things are done by the State on a scale and with an organisation which only the State can produce, there is not less but much more need for the Church to inspire men with that spirit which makes us give ourselves willingly, and give the very best of ourselves.

I hold that as Christians we can take our stand with the poet who left us his Testament of Beauty:

In truth "spiritual animal" were a name for man
nearer than "rational" to define his genus;
Faith being the humaniser of his brutal passions,
the clarifier of folly and medicine of care,
the clue of reality, and the driving motiv
of that self-knowledge which teacheth the ethick of life.

APPENDIX

“THE ORGANISATION OF LABOUR IN THE ARMY IN FRANCE DURING THE WAR AND ITS LESSONS”¹

IT has become almost a commonplace nowadays that capitalism, at any rate as the nineteenth century knew it, is showing signs of disintegration, that the motives upon which it relied for its success are not working and cannot be expected to work with their previous regularity. Capitalism stood or fell with its effective supply of “incentives to industry”, and while it is perhaps by no means so dead and damned as some of its critics make out, its power to produce the necessary incentives is certainly weakening. It is clear that an increasing number of people do not believe in it, and that though it still supplies motives to work it is less and less producing willing work.

But men are more convinced of the inadequacy of the motives called out by capitalism than they are by the superiority of anything which it has been proposed to put in its place. Most of the alternatives offered make large demands on the unknown possibilities of human nature, and though human nature may not be as unchanging as the defenders of things as they are made out, neither does it show signs of

¹ Originally published in *The Economic Journal*, March 1924.

possessing the infinite elasticity which some idealists ascribe to it.

Such being the case, it is clear that experiments in the working of new incentives are to be welcomed, and it may be of interest to set down the results of an elaborate experiment in the organisation of labour where the economic motives were largely absent and their place had to be taken by others—the organisation, namely, of labour in the British Army in France during the war. War-time psychology is, of course, in many ways peculiar and conditions abnormal. War is an activity of which it is difficult to speak in economic terms at all. For as our purpose in war is to end it as quickly as possible, there can be in a sense no question of economy of effort directed to bringing war to a conclusion, and the ordinary categories of economic and wasteful expenditure, though they do apply, can only be applied with difficulty. The end of all effort in war is simple—victory over the enemy; the ends of effort in civil conditions are infinitely complex, dictated as they are by the varying desires and conceptions of the life of individuals. Above all, the element of compulsion and military discipline, which is the basis of all military organisation, made the problem of the organisation of labour very different from what it is or could be in any society in which such compulsion is absent. For these reasons inferences from what happened in the war to what would happen under civil conditions must be drawn with the greatest caution, and there will always remain differences of opinion as to the

value of any lessons which may be drawn from war experience.

Nevertheless, if we keep this precaution in mind, it may be found possible to discern certain principles at work in war experience which have a more universal application.

All war, and especially all modern war, involves an immense deal of activity other than actual fighting—activity whose purpose it is to enable the fighting man, infantry, cavalry, gunners, and aircraft, to fight more efficiently. Supply services exist to feed the fighting man and, in modern war, to feed his weapons. They have to construct and keep running the chain of communications between the home base and the fighting line. In France in the late war the importance of these services became very much greater than ever before owing to the enormous increase in the number and size of artillery which the stationary warfare brought about, and to the devastating effect of artillery fire on communications. These services had an elaborate organisation. The Docks Directorate, for example, was responsible for the unloading of ships in the French ports between Dunkirk and Havre, another service for the operation of the railways in the British zone, another for the construction and maintenance of broad-gauge railways, another for the construction and maintenance of light railways, another for the roads in the zone between the zone where the French and the zone where the Chief Engineers of Corps maintained the roads, another for inland water transport. All these were

organised after the first year of the war in the Directorate General of Transportation, known as D.G.T. Besides these there were the older services connected more closely with the army formations—the A.S.C. concerned mainly with food and forage, the Ordnance Corps concerned mainly with ammunition, the Signal Service, the Medical Corps, and the Engineers. It is not necessary for the purposes of this article to give a complete list of these administrative services or to describe their relations with one another and with the staff of the army and its formations, with G.H.Q., Armies, Corps, and Divisions. But there are certain characteristics of all these services which for our purpose it is important to notice:

(1) They were all professional services. Each had its own special technique; its personnel had been selected because of their technical efficiency and had been given a technical training. Each had its special *esprit de corps*, and the efficiency of their work depended largely on the fostering and maintenance of this professional feeling. They were a practical example of Mr. Tawney's idea of the professionalisation of industry. Their professional pride, however, as will be seen, involved also a certain professional narrowness.

(2) While their technical efficiency was the concern of their departments, they all got their executive orders from the Generals in command of army formations. The officer in charge of light railways, for example, in an army area was told by the army commander where a light railway was needed and how much ammunition or other supplies had to be carried

on it. For the technical details of his work he was ultimately responsible to the Director of Light Railways. The various army commanders said what was to be done; the special services were responsible for how the work was done. This is an important distinction. In economic language the Army Commanders with the assistance of the staff controlled the direction of production, the heads of the special services controlled the methods of production.

So far nothing has been said of the Labour Directorate. Its organisation had not been contemplated before the war. But with the development of trench warfare, and especially with the enormous strain of the Somme offensive, it was found that at a crisis like an offensive far greater demands were made on the personnel of the administrative services than they could possibly supply, while the expedient of using the fighting troops while they were out of the line on all kinds of labour gave the men no rest and interfered dangerously with military training. It was resolved, therefore, to supplement the administrative services described above by labour battalions or companies, distinguished from the men of these services by being comparatively unskilled. These labour companies consisted partly of coloured labour, Kaffirs and Indians, and at the end of the war mainly Chinese, partly of prisoners of war, and partly of men enlisted in Britain who were not physically fit for the fighting line. The prisoner of war companies could not be employed within thirty kilometres of the line, the Chinese not within sixteen kilometres. In conse-

quence all the work in the forward areas was carried out by white enlisted labour. These last, like the rest of the army, were conscious of working for a common end, and in that they differed from the prisoners of war, who were made to work for an end which they did not want to bring about, and the Chinese who were working for an end to which they were indifferent. The British labour companies, in spite of military discipline and compulsion, were free labour, the prisoners of war were slave labour, the Chinese something betwixt and between. So far, therefore, as we are concerned with the psychology of the labourer as contrasted with the psychology of the employer, we shall consider only the British labour companies.

The first labour troops which were organised up to the end of 1916 were allotted more or less permanently to special services, but this practice grew to be impossible. For the essence of the situation was that the demands put upon the special services varied in intensity. In the preparation for an offensive, for example, there was a great demand for railway construction; during an offensive a great demand for the handling of ammunition, and so on. The actual needs of the various services varied from day to day. But each service, intent on its own efficiency, wanted as much labour as it could get and was very reluctant to give it up to another service when it had done with it. Each service, in economic language, wanted to keep its own reserve of labour, with the usual wasteful results. I remember hearing a high official, not in the British army, say, "If no ships came into

my ports for thirty days, I would whitewash all my buildings and relay all my track sooner than let another damned department have a single man of mine". He was no doubt an extreme example, but there was a trace of that spirit in most administrative services. It is the reverse side of professional pride.

The remedy for this state of affairs was to declare that all unskilled labour was to be pooled and to set up an organisation, the Labour Directorate, whose business it was to look after labour companies, to know where all labour was, and to redistribute it in accordance with the directions of the general staff among the previously described services, whom I shall now call the employing or the technical services.

The labour put under the Labour Directorate was described as unskilled labour, but skilled and unskilled are relative terms. It included all kinds of labour, from Whitechapel Jews turned on to digging, to Chinese fitters repairing tanks. The common characteristic of all labour companies was not that they were unskilled, but that they were transferable, went from one service to another. This labour worked under the direction of the technical service to which they were from time to time allotted. To the Labour Directorate was assigned the task of allotting them from week to week or month to month to the technical services under the general instructions of the staff, and of looking after their morale and general well-being.

This then was the general situation. The work of the army was done by the various technical services, working under the general orders of the higher com-

mand, and inspired by working for a common end which each man desired and by professional *esprit de corps*, getting from the Labour Directorate the unskilled or semi-skilled labour they needed. The cash nexus was entirely absent. Its place was taken by the fact that all were working for a common end they all desired, by military discipline, and above all by *esprit de corps*. It was as though Mr. Cole's guilds, faced with the fact that the varying character of the demand for their work could not be met by expansion of their own personnel, made application for men to a guild of unskilled labourers formed out of the General Labourers' Unions, who were allotted from time to time to the various guilds by some organisation outside the guilds as the general economic situation demanded.

There were, of course, certain features about the situation which would not be reproduced in the absence of a military system. Whether they existed in the Labour battalions reported in Soviet Russia I do not know. The direction of labour was controlled from above. No man chose what work he should do. He was drafted into this or that service on the orders of the military authorities, and his company was sent to this or that work on orders from the same source.

The reverse side of this arrangement was that men were not thrown back on the labour market when their services were not wanted. They were fed, clothed, and paid irrespective of their being employed. Whatever work they were doing, they remained members of the same small society, their labour

company. The economic incentive of fear of unemployment had disappeared.

Under these circumstances, the theory of the function of the Labour Directorate as set forth in the original memorandum defining its powers was a simple one. It acted as a Labour Exchange, receiving demands for labour from the technical services and allotting the labour available according to the instructions of the staff. In addition it was responsible for the administration of labour companies.

Here was a system where employers were competing for labour without having to pay for it, and where there was and could be no connexion between output and earnings. What was the effect of the elimination of the influence of price on the supply and demand of labour? The effect on the labourer was very different from the effect on the employer, and one most noticeable moral of the experience in France is just this difference. Earlier political economy largely concerned itself with the psychology of the employer or entrepreneur, and interpreted the psychology of the employed in terms of that of the employer. Much modern speculation concerns itself with the psychology of the employed, and takes for granted the psychology of the employer. Really the two psychologies present problems that are quite different and need to be studied independently.

To consider first the effect of the system on the employed: men in British labour companies were not working for the benefit of a capitalist; they were working for the public good, and that not in any

vague sense, but for a definite common end which they all desired. Did that fact *in itself* provide a sufficient incentive to industry? It was enough to make men in labour companies endure frightful hardship, danger, and suffering. It is impossible to speak too highly of the behaviour of the British labour companies. They were all men of low physique; they were shelled in the day-time and bombed at night, with no dugouts to take refuge in, with very little of the psychological stiffening of previous military discipline. But if the question is asked whether the public motives which made them endure all that privation and danger were enough in themselves to make them work from day to day as hard as they would do under ordinary economic conditions, the answer is "No". I can give no statistics to support my answer, but I have no doubt that most people who saw anything of the work of the Labour Corps would agree that the mere fact that they were working for a public end had not much effect on output except *where their imagination was stirred*. Men loading ammunition during an offensive, men laying a track for a gunspur, where they could picture the result of their increased output, did wonders. Men at the base, working day after day on tasks whose immediate bearing on victory was not obviously important, had a low output. The reason for this is simple and not discreditable to human nature. Men like to take an interest in their work, they like to know what they are contributing, they like to be able to appreciate the work of their hands, they like to be in a position

to know when their work is good. If they are treated as cogs in a machine, it does not much matter whether the machine is grinding out profits for individuals or benefits for the public. Being treated as a cog matters more than the purpose to which the machine is put. For treatment as a cog is obvious and ever present to the imagination, the purpose you are serving in the machine is difficult to keep continuously alive in the mind.

In the second place the fact that all were working for a public end did not in itself eliminate ill-feeling between employers and employed. According to the instructions issued when the Labour Directorate was first formed, the Directorate allotted men to the employing services, and the men thus allotted worked under the orders of the officers and N.C.O.'s of these services. The technical services indented for labour as they indented for shovels, and some of their officers treated the men allotted to them as though they were living shovels. All the planning and contriving and thinking about how the work was to be done was the business of the men of the technical services, the labour personnel had only to do as they were told. In consequence the labour companies complained of the employing services, as in civil life many workmen complain of their employers. They accused the employing services of taking to themselves the private benefits, *i.e.* the Military Crosses and the Military Medals and the green envelopes which the labour companies had earned. But their real grievance was just that they were treated as mechanical instruments.

These two points are confirmed by a consideration of the methods employed by the Labour Directorate to increase output.

The first may be described as improvement in company morale. A stand was taken against men being employed except in companies or regular divisions of a company. I remember finding an ammunition dump in an area which my Corps had just taken over, where the labour was done by fifty-odd men from several different companies. The work was far better done by fewer men from one company. Companies and platoons were encouraged to keep records of the work they had done. The efficient labour companies were always intensely proud of their achievements, of the cubic feet per man per day they could excavate, of the ammunition they could load, of their special skill in this or that of the many kinds of jobs they were turned to. The effectiveness of this encouragement of company morale, and it was great, is only an example of Burke's famous assertion: "To be attached to the subdivision, to love the little platoon we belong to in society, is the first principle (the germ as it were) of public affections". The distance which imagination has to travel from the isolated individual to the public cause in any great society is too vast unless it is mediated by companionship in a small society. All devotion to public good implies a common life inspired by and inspiring that devotion, and a real common life can only be lived in a small circle.

The second method appealed to what was practi-

cally an economic motive. There was something other than money which everyone did want, and that was leisure. It was possible by the organisation of task work to apply an effective incentive of the economic kind. The task work was always collective. The company or the platoon was given a definite job to do and allowed to go back to camp when they did it. I have called this an economic method, because its effectiveness was quite independent of the fact that men were working for a common end, as was shown by its being equally applicable to British labour, Chinese, and prisoners of war. It had the further advantage that, if it was to be applied fairly, the company or platoon had to be given some scope as to how they would do the work. It therefore led easily to the notion that the labour unit should be given a distinct task and then allowed to exercise its own judgement on how to carry out the work.

This brings us to the third method, the most suggestive and also the most fruitful of the three. It consisted in laying down that the technical services should state, not how many men they required, but what work they wanted done, and that the responsibility for the work and for contriving how most efficiently to do it was laid upon the labour company. For example, instead of the loading and unloading work in an R.E. yard being carried out by labour working under the orders of R.E. N.C.O.'s with the labour officers looking on and seeing that their men did what the R.E.'s told them, the company was made responsible for seeing that the required number of

trains were loaded or unloaded within the required time. How they did it, what intervals of rest they took, how they arranged their squads, was their affair. They were not living tools, but men assigned a responsible task and given scope to do it.

The results of this method in increased production were extraordinary. A company working on what was called the contracting system did not need the incentive of task work. Officers and men alike found that in tasks which, when working under the orders of the technical services, they had found only monotonous routine, there was abundant room for thought, for contrivance, initiative, and experiment. They established an expert sphere of their own, they acquired professional skill, and with it professional pride. They remained, of course, under orders. They had no power to say what materials should be loaded or where they should be sent. When they dug trenches the siting and the specification of the trenches was decided by others. But they had no grievance against not being asked to decide on matters on which they had no knowledge, so long as they had scope to decide on matters which their daily experience had led them to understand. To be given that is to be given what a man wants for his work; to be denied it is to be reduced to a living tool, which is Aristotle's definition of a slave. This method not only increased production, it also did away with friction between labour and the technical services. For the conventional relation between employers and employed was substituted the co-operation between two

parties, each having its defined sphere of work and enterprise. The elimination of private profit alone had not, as has been noticed, removed the antagonism between employers and employed; the new method, giving labour a sphere of responsibility and initiative, removed the antagonism at once.

These facts seem to confirm the view that in a modern industrial society the fundamental antagonism is not between those who own capital and those who do not, important though that distinction may be, but it is between those who take responsibility and manage and discipline, and those who are given no responsibility and are managed and disciplined, and that no solution of industrial problems is possible unless that antagonism is removed. How far the method which proved so successful in the army is applicable to industrial conditions is a difficult question. The work done by the Labour Corps involved little use of machinery, and therefore gave scope to individual and collective contrivance in a degree which would not be possible with machine production. The army experiments did, however, show that in work which under the old system had seemed to be merely mechanical routine, there was scope for contrivance and planning when men gave their minds to it.

So much for the effect of this system on the labourers. The effect on the employer was more startling.

The head of a technical service in any army formation acted as an undertaker in the old economic

sense of that term. He undertook, *i.e.* he made himself responsible to the commander of the army formation that he would complete a definite piece of work by a given date, would have certain lines of railway track laid and working by a given date, would deliver defined quantities of ammunition at a fixed point at fixed intervals, and so on. In making his calculations he had to consider what materials were necessary, and among his materials was included labour. How was he affected by the fact that he had not to pay for his labour, but got it by making out a case that it should be allotted to him? The employer's first impulse, as has been said, was to get under his control enough permanently allotted labour to be saved having to come and get it allotted to him from time to time. The Labour Directorate was organised to stop the intolerable waste created by each service wanting thus to have its own reserve of labour.

When making application for labour under the new scheme, the employer naturally wanted to make himself secure against any failure to carry out his contract through shortage of labour, and asked for as much as he could profitably use if the weather permitted continuous work and if all his materials came to hand up to time, and he no doubt gave himself a margin of safety over and above what these calculations justified. He often calculated that his estimate would be cut down and asked for a good deal more than he expected to get or wanted. If he could not profitably use the labour allotted to him at any time, he kept it working unprofitably in case the men

should be found idle and some of them taken away from him and he not have them ready for use when his demand expanded. He was always trying to get a reserve of labour of some kind. Some employers remembered the needs of the army as a whole as well as the needs of their own job, and did not ask for more than they really needed, but no employer in making his calculations had any strong compulsion on him to think how he could save labour. He had plenty of things to think about without that. It was his primary business to take all measures necessary to do the job he had undertaken to do, and as it cost him no more to ask for two companies than for one, he had no encouragement to economise.

The consequence of this was that labour was not used economically. There was a great shortage of labour and employers competed against one another. They were all working for the same end, and yet they constantly took measures in furtherance of their particular function which were prejudicial to the interests of the whole and which really hindered the ultimate purpose for which they were working. The cause of this was not simply that many of them had been trained in a capitalistic system and could not leave off their bad competitive habits when they got into the army. That may, no doubt, have had its effect. But the real cause was something more fundamental and more irremovable.

They were all rightly conscious of the importance of their particular function. The professional pride which that inspired had a good deal to do, as has been

said, with their efficiency, but it involved the danger of the exaltation of their own function more highly than the general interests allow. Their competition was not based on selfishness. No doubt some of them thought more than they ought about promotion or decorations, but the main motive behind their competition was a more honourable one. They were thinking not of themselves, but of their job. One of the most troublesome and extravagant employers from a labour point of view with whom I had to deal was a single-minded enthusiast with a conviction that "light railways would win the war". The employer quite naturally felt that his business was to do his best for his job, and it was other people's business to do their best for theirs, a state of mind which within limits is entirely creditable and to be encouraged, but which, when the ordinary check of cost was removed, had disastrous results.

The Labour Directorate, working under the instructions of the general staff, was entrusted with the task of co-ordinating the demands for labour and apportioning the available labour as the tactical situation demanded. Its functions appeared to be simple. The Deputy Assistant Director of Labour at a Corps Headquarters, for example, received demands for labour from the various services working in the Corps area. When these demands could not be met from the labour at his command, as they never could, he went to the Corps Commander or one of his staff. The Corps Commander, from his knowledge of the needs of the tactical situation, assigned to the demands

an order of priority. The D.A.D.L. then met the demands in the order thus fixed as far as his labour would go.

So long, however, as the demands themselves were not criticised, but only given an order in which they were to be satisfied, this plan, if carried out consistently, meant that the service that was given priority was given all the labour that it asked for, whether or not it asked for more labour than it needed. This meant that some of the men allotted to it were contributing very little to a work of primary importance when they might have been contributing a great deal to a work of secondary importance. Whatever the relative importance of the different things to be done, there was clearly a point where it was not profitable to give additional men to the more important service rather than some men to the less important service. In economic language the principle of marginal utility came into play.

The difficulty was that there was no satisfactory means of discovering the marginal utility of labour. The only person who was really in a position to say how much labour was wanted, or rather with how few men the necessary work could be done, was under no pressure to make the calculation. He had not the spur of having to pay for his labour to make him careful to relate what he asked for and what he really needed. The staff could estimate the relative importance of the works which the various employers had contracted to do; they had no satisfactory means in the absence of price of estimating the *intensity* of

demand. In practice the only thing that the officer of the Labour Directorate could do was to form a rough-and-ready estimate of the genuineness of an employer's demand, taking into account his estimate of the honesty of the employer, and cut down the labour supplied accordingly. To the employer's contention that he was an expert and knew no one else could do, how many men were wanted, the officer of the Labour Directorate could only reply that the technical officer was no doubt an expert but he was also a liar, or words to that effect. In practice the system worked because it was in the interest of the employer to establish a reputation for being economical in his demands, because he found that if he got that reputation his demands for labour were met promptly and in full. But there was inevitably a good deal of friction and cross swearing. No doubt under less varying and abnormal conditions the average labour cost of different tasks could have been ascertained and used as a standard, but that would only have meant levelling up the bad to the good employer. The Labour Directorate were able in time to have a fairly clear idea of what the standard of the careful employer was, and used that knowledge to level up. But because the standard of the careful employer was not formed under the pressure of having to pay for labour, because the employer's primary business was not to save labour but to get his job done, the cost being not his business but the army's, the standard was never a high one. Labour-saving devices were almost all introduced as the result of the pressure of

the Labour Directorate, *i.e.* by the outsider who was not really in such a good position as the employer if he had had the will to do so.

A partial solution of these difficulties was provided by the contracting system described already. For there the employer merely stated what he wanted done. The position then was that the staff determined what results were wanted, the technical expert reduced these results to specifications of so much cubic feet of earth lifted, so many yards of railway track with so much ballast laid, and so on, and the labour company whose special business was to be experts in knowing how much labour was wanted for particular jobs, and whose professional interest was to supply as many demands as possible and thus to save labour, detailed the men required. The solution was only partial, because this separation of functions was not always possible and the system of contracting not universally applicable.

The moral of this experience is the extreme difficulty of separating the technical work of production from the task of co-ordinating various forms of production to a common purpose. The employer in estimating the means necessary to carrying out his particular task is acting as an expert. But if the necessary means are to be supplied by someone else, the employer's estimate of his needs affects the work of co-ordination. The more he has of someone else's work, the less there is for other employers. He is encroaching on the work of co-ordination, for which he feels no special responsibility. If he has not to pay for the

services of others, he has a strong temptation to think only of the efficiency of his own work and make irresponsible demands. The co-ordinating authority, on the other hand, cannot do its work of co-ordination without knowledge of the producer's real needs. Where the employer has to pay for services, the price he is prepared to pay is for him an expert question, but at the same time it affords a guarantee to the co-ordinating authority that the demands made by the employer are real demands. But if the machinery of buying and selling is abolished, the check disappears and the co-ordinating authority is set a hopeless task. Earlier economic theory held that in civil life the importance of the various services rendered by individuals or groups might be left entirely to the play of supply and demand. We have come to recognise that effective economic demand does not always mean socially useful demand, and the State now supplements the play of the market by encouraging certain forms of production and discouraging others, by endowing education and research, for example, and by heavy taxation of the liquor traffic. It is sometimes held that this conscious co-ordination might entirely supersede the unconscious co-ordination of economic forces. The army presented a peculiar field for such conscious expert co-ordination. It would have been madness to allow the direction of production to have been determined by economic forces. But army experience shows that the complete supersession of economic relations has unexpected and alarming results. The working of supply and demand may have

disadvantages, but they are nothing to the disadvantages of wangling.

If an attempt is made to sum up the application of this army experiment as a whole to the problems of industrial reorganisation at home, it will be obvious that the lessons it suggests seem to conflict. I can imagine that Mr. Cole and the Guild Socialists would claim that the first part confirms their teaching: that the contracting labour company is the guild; that the development from the first methods of working to the principle of contracting is the development from national to guild socialism; and such a claim would not be without justification. But I do not think they would find much comfort in the account of the effect of the system on the employers. On the other hand, the upholders of things as they are may find confirmation of their belief in "the impossibilities of socialism" in the second part. Again with some justification. I venture to suggest that the real lesson of the army experience is contained just in this conflict, in the contrast noted already between the psychology of the entrepreneur and of the workman. Neither can be eliminated, and a sound industrial theory must do justice to both.

THE END

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