A Typical Day in a British Manufacturing Town, Stoke-on-Trent, Staffordshire.

The Revelation of Britain.
A Book for Colonials.
By Charles C. Reade.
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Contents.

I am no contemner of the present. To me it appears a time of immense and wonderful beginnings. New ideas are organising themselves out of the little limited efforts of innumerable men. Never was there an age so intellectually prolific and abundant as this in the aggregate is. It is true, indeed, that we who write and think and investigate to-day, present nothing to compare with the magnificent reputations and intensely individualised achievements of the impressive personalities of the past. None the less, it is true that, taken all together, we signify infinitely more. We no longer pose for admiration as high priests, and princes of letters in a world of finite achievement; we admit ourselves no more than pages bearing the train of a queen—but a queen of limitless power. The knowledge we co-ordinate, the ideas we build together, the growing blaze in which we are willingly consumed, are wider and higher and richer in promise than anything the world has had before.—H. G. Wells.

Foreword.

This is a book for colonials, young and old, who have the social and political welfare of their country at heart. To understand our Colonies and their democratic aims we must know the England from which they have sprung. I do not mean only the traditional England that has stood for liberty amongst the nations and founded the Empire. I mean the real England as it was in the nineteenth century and as it has evolved therefrom to-day; the England which has 1,250,000 persons rich, 3,750,000 persons comfortable and 38,000,000 millions poor. It is from her mighty social and political problems we must derive examples of what to avoid, to prevent and to encourage, if "The Greatest Good for the Greatest Number" is still to be our watchword.

The chapters following, the bulk of which were published in an abbreviated form by the New Zealand Times, Auckland Star, Dunedin Star, and Sydney Morning Herald, have been written solely with a desire to bring home to thinking young men and women in the Pacific some of the principal effects of the traditional individualism of Britain in her own domestic sphere. By individualism I mean that particular form of political and social thought which takes for its cry, "The Liberty of the Subject." The long sustained and autocratic attempt of George III. to re-establish the privilege of earlier monarchs—"The Divine Right of Kings"—brought out to a marked degree the passionate racial instinct of the Englishman for what he calls liberty. It also had a great deal to do with that gigantic statue to the unfettered goddess overlooking the harbour of New York, by which a young and vigorous race symbolised for the future ages their undying hostility to any form of monarchical interference. The triumph of "the Commons" over the Hanoverian despot it true gave definite shape to "The Liberty of the Subject." But the economic changes that were beginning at the time—a century and a half ago—had not been reckoned with. The invention of the steam engine materially affected the whole foundation of society. Prior to the days of steam, the industry of England was done in the homes. The domestic workshop was scattered through the agricultural districts. There were no great factories or concentration in the cities. That came later. With the steam engine factories sprang up and people flocked to the towns. With freedom from autocratic hindrances, which "The Liberty of the Subject" secured, industry spread and trade expanded. Britain began to accumulate wealth. But as the wealth accumulated the condition of the great mass of the workers and those dependent upon them became abject, as I shall show almost immediately. The whole of the great economical changes that began some hundred and fifty years ago benefited only the wealth and landowning classes. The privileges the monarch surrendered to his people were absorbed and transmuted into the commercial freedom these two great classes acquired. "The Liberty of the Subject," far from being of
universal benefit, simply resolved itself into the will of these privileged individuals to exploit the mass.

The revolutionary changes that came with industrialism in Britain are almost as incredible as they are
remarkable. The wealth-owning classes were absolutely unrestrained in their desire to erect factories, develop
natural resources, utilise inventions, and bring hundreds of thousands of people from the agricultural districts
into the towns to supply the necessary labour. The unrestrained power of capitalism speedily reduced a large
part of Britain to a deplorable state. The late William Clark, in his excellent and authoritative essay on the
industrial changes in Britain, says: "There was not a savage in the islands of the Pacific who was not better fed,
happier, healthier, and more contented than the majority of the workers in the industrial parts of England.
Children, it was discovered, were transferred in large numbers to the north, where they were housed in pent-up
buildings adjoining the factories, and kept to long hours of labour. The work was carried on night and day
without intermission; so that the beds were said never to become cold, inasmuch as one batch of children rested
while another went to the looms, only half the requisite number of beds being provided for all. Epidemic fevers
were rife in consequence. Medical inspectors reported the rapid spread of malformation of the bones, curvature
of the spine, heart diseases, rupture, stunted growth, asthma, and premature old age among children and young
persons; the said children being worked by manufacturers without any kind of restraint. Manufacturing profits
in Lancashire were being at the same time reckoned at hundreds and even thousands per cent. The most terrible
condition of things existed in the mines, where children of both sexes worked together, half naked, often for
sixteen hours a day. In the fetid passages, children of seven, six, and even four years of age, were found at
work. Women were employed underground, many of them while pregnant, at the most exhausting labour. After
a child was born, its mother was at work again in less than a week, in an atmosphere charged with sulphuric
acid. In some places women stood all day knee-deep in water, subject to an intense heat. One woman when
examined avowed that she was wet through all day long, and had drawn coal carts till her skin came off.

Women and young children of six years old drew coal along the passages of the mines, crawling on all fours
with a girdle passing round their waists, harnessed by a chain between their legs to the cart. A
sub-commissioner in Scotland reported that he 'found a little girl, six years of age, carrying half a cwt, and
making regularly fourteen long journeys a day. The height ascended, and the distance along the road exceeded
in each journey the height of St. Paul's Cathedral, 'I have repeatedly worked,' said one girl seventeen years of
age, 'for twenty-four hours.' The ferocity of the men was worse than that of wild beasts; and children were often
maimed and sometimes killed with impurity. Drunkeness was naturally general. Short lives and brutal ones
were the rule. 'The men,' it was said, 'die off like rotten sheep, and each generation is commonly extinct soon
after fifty.' Such was a large part of industrial England under the unrestrained rule of the capitalist. There can be
no doubt that far greater misery prevailed than in the Southern States during the era of slavery. The slave was
property—often valuable property; and it did not pay his owner to ill treat him to such a degree as to render him
useless as a wealth producer. But if the 'free' Englishman was injured or killed, thousands could be had to fill
his place for nothing."

Here we have an irresistible picture of what ensued when the capitalistic classes were freed from the
grosser forms of autocracy, claimed by Royalty to the extent that they did almost as they pleased. In those days
there were no factory enactments, no Arbitration Courts, no minimum wage, no trades unionism, no labour
agitators, no limit to the hours of labour or the sweating of the wage earner. It was briefly a process by which
great wealth was accumulated on one side, and greater poverty on the other.

It is true that when Britain deserted agriculture for industry, the pastoral and agricultural areas yielded less
rents to the owner. But the burden of that, as is usual in such cases, fell on the unfortunate farmer more than the
landowner. With the demand for coal, iron and other mineral resources, the land owning classes derived
enormous benefits. By their hereditary or acquired right to the freehold and the unearned increment, they
claimed and got fabulous sums for royalties, rights, and rents from factory areas and houses. And they never did
a stroke of work for it either.

The influx of the population to the towns brought the speculative jerry builder, and the land-owners golden
opportunities. In their eagerness to acquire wealth they did not scruple to erect some of the vilest slums known
to history. What toll death has levied on England's millions by reason of the inhuman and disgusting filthy dens
Englishmen have provided for their fellow creatures never will be known. It is one of the blackest stains on
England's history. It is within measurable distance of our own times, in as much that the conditions still remain.
Every British city of today has its slums. The mortality in these areas as I will show later is still so high as to be
disgrace, if not a travesty upon any civilised community professing as Britain does to stand among the nations
for Liberty and enlightenment. These slums, a few examples of which I am able to illustrate in these pages,
were the direct outcome of the unrestrained freedom of the landlord and his other half—the speculative jerry
builder. They were free to create without municipal "interference" whatever they wished in the interests of
money making and human selfishness.

Such was the result of the combined liberties of the wealth and land-owning classes operating together
without any state intervention. Nobody could foresee the course of events. The people, who through no particular merit of their own were enabled to reap the rewards of the propertied classes, were not individually conscious of the evil they were perpetrating. It is the way of human and natural progress to blunder first and remedy after. The progressive men of Britain had to find out the evils in her midst and apply the corrective of state interference with private enterprise and "the rights of private property." It had to be done too in the face of the bitterest antagonism, personal animosity and persecution.

This policy which was associated with "The Liberty of the Subject" entered almost wholly into the life of the Municipalities, and so directly affected the wage earning classes. The industrial revolution which dealt destruction to many existing institutions and modes of life completely swept away the old guilds or Municipalities which at one time made effective provision for safeguarding the interests of wage earners against unscrupulous employers. There is no institution to-day, outside the State itself, that is capable of promoting so many of the things that make for the good of humanity as the Municipality. But under England's extraordinary burst of individualism, which reached its height in the reign of the late Queen Victoria, the beneficent powers of the Municipality were stultified and jealously curtailed. It was held to be a grossly immoral thing that a Municipality should want to control its own public services. Its functions were also completely relegated to the domain of private enterprise. That is to say by means of the joint stock company and the private contractor, the Municipal utility, essential to every community, was subjected to the making of profits. It is not many years ago that the public services administered by the Borough and City Councils in Britain to-day were in the hands of private companies. When the Municipal movement began to take root, the water companies were the first commercial concerns forced to yield to the Municipalities the right to supply cheap pure water to the people in the interests of public health and cleanliness. The wealth owning classes interested naturally offered the bitterest opposition to the innovation. The Municipalities were said to be interfering with the rights of private enterprise, that it was an immoral thing to interfere in the province which private capital alone had created for itself, that it would drive capital out of the country, and that private enterprise, being throttled by confiscation, the cities would end in bankruptcy. These pet phrases of the mid-Victorian generations are to be heard from both benches of the House of Commons to-day and still treated with marked reverence and respect in the House of Lords. We have also survivals of them in our Colonial affairs. Whenever a vested interest exists and is in danger of being absorbed in some larger undertaking for the benefit and the improvement of the community, it is wonderful to see how well the hoary dogmatisms of past generations, that were associated with so much social horror and disaster in Britain, will still serve as an argument.

The Municipal revival in Britain, hardly fifty years old, removed the public services of water, trams, gas, sanitation, and other institutions beyond the grasp of commercial speculators. It has gone ahead with increasing rapidity in recent years. In this respect it is not too much to say that Britain, and more especially part, of the Continent, have left Australasia far behind. The Municipality has, it would appear, by no means reached the limit of its functions. Its increasing importance and beneficial influence can be readily understood if only the days that preceded it are borne in mind. In England to-day the municipalisation of milk is approaching the standards that exist to-day in the minds of not a few civic dignitaries in Australasia. The control of the means of transit in cities, represented chiefly by electric cars, is held to be absolutely necessary to any well-ordered community. The private company has had its day in this respect, and it leaves behind a telling record. No colonial city, in the face of England's experience, has any justification for allowing a private company to monopolise its electric car service. To do so is simply setting back the hands of the clock.

There are many other activities in the sphere of British Municipal life which need not be enlarged upon here. It must be abundantly clear that the well-conducted Municipality is a force for national health and social economy, unrivalled by any other institution in the land. The essential, of course, is that its functions shall not be usurped by any combination or body of commercial interests. The latter can but represent individual gain as opposed to public or communal welfare. Its affairs, too, must be controlled by competent and technical men as it is in Germany.

The example of Britain is full of teaching to the colonies. Many of our progressive enactments in the last decade were inspired by the defective state of society. Our progressive men determined we should not perpetuate in our midst the terrors of sweating, ultra-commercial housing, inhuman hours of labour, huge landed interests, and other evils, all created by the individualism of the past. If one thing only, they deserve the
credit of having made the accumulation of large areas of land by the few almost impossible. What has been avoided cannot be put into figures. But the example of Britain is sufficient in itself to justify the progressive legislation of New Zealand. There is a connection between British affairs and our own which is sometimes lost sight of. The basis of society and industry in the two countries are identical. Both believe in private ownership of land, in the practice of the wealth-owner to obtain as large a dividend from his operations as business will yield, in the efficiency of the private individual, or individuals, for the production of the necessaries of life and the development of natural resources. In short, both countries, broadly speaking, possess, with few exceptions, the same principles for the conduct of the people and the welfare of the community. New Zealand has in many directions modified much of the grosser individualism which to-day permits the capitalistic and landowning classes to accumulate the bulk of the wealth produced in each year. But in the (bedrock principles of society she is virtually in harmony with Britain. The example of Britain is clearly of the greatest importance to us. I want, therefore, to present a few very striking facts concerning the Motherland. They reveal, at a glance, the disproportion that exists between wealth and poverty.

The area of Britain is 77,000,000 acres, and the population 43,000,000. Yet 40,426,900 acres (more than half) are owned by 2500 people.

In 1904 British incomes wore as follows:—

- 5,000,000 people received £830,000,000
- 38,000,000 people shared £830,000,000

London is probably the wealthiest city in the world. Its property is insured from fire at £1,040,057,846. Despite this, however, there is a large amount of poverty. The figures show that:
- One person in every thirty-three is a pauper.
- Twenty persons in every 100 die in a workhouse or a workhouse infirmary.—“London Statistics,” published by L.C.C.

The area of land suitable for housing—that is, excluding rivers, mountains, etc.—in England and Wales is 20,000,000 acres.

- 7,500,000 people occupy 10,800,000 acres. 12,000,000 people live on 152,000 acres. 13,000,000 people exist on 48,000 acres.

Russia is seventeen times larger than the United Kingdom, and the population is more than three times as great. Russia is downtrodden, England "free." Britain possesses 30,000 more drink shops than Russia.

These facts have, I understand, been tested and verified by members of the Royal Society of Statisticians. What they represent in actual reality is on one side large estates, luxurious homes, private parks, and all the appurtenances of wealth; on the other side, miles of depressing areas, overcrowded cities, struggling, needy millions, downright slums and absolute pauperism.

And let it be remembered that there are:—

- 1,250,000 persons rich;
- 3,750,000 comfortable;
- 38,000,00 poor.

It is out of no desire to discredit or misrepresent the Motherland that I write thus or the chapters following were penned. They are a statement of actual fact, derived from authoritative sources. That I suggest Britain to be a decadent country is by no means true. By the facilities which I was enabled to obtain as a member of the London Press for some three years, I had unusual opportunities of seeing Britain and investigating the conditions of affairs. I was tied to no political party or concern, but went into the Motherland with an open mind and as the son of a democratic soil. The majority of colonials who visit the Old World go for its pleasures and its holiday making. They spend six, twelve, or eighteen months visiting London, touring the British Isles and the Continent, seeing what sights they can. Tired of the pleasures of travel, they return to native land, rightly believing it to be for themselves the best on earth, and for the rest the affairs of the Old World do not pass for much. It was my good fortune not to see Britain or the Continent thus. I went as a worker, shared the vicissitudes of the mass, and got down to the bedrock of humanity, both in agricultural and industrial districts as much as in the cities. The privileges associated with the assistant editorship of an ambitious Society journal in London brought me into touch with aristocrat, artist, and celebrity alike. The revelation of London Society and English respectability enabled me to shed a few illusions that the cable man and Imperialistic statesmen have bestowed on many a colonial youth. At the risk of being set down as conceited, I am constrained to mention these few facts in order to make it clear that these pages, whatever class of reading they may provide, are not the outcome of superficial investigation.

The reader will find in these pages no catastrophic creed expounded. This book, moreover, is not printed in a red cover. It is simply a series of observations and investigations made over a period of years, and taken from the point of view of an outsider. The important things, so far as the reader is concerned, are the facts. They have been accumulated only at the expense of considerable time and trouble. In this connection, I wish particularly to
express my acknowledgments to Messrs Sidney Webb (London County Council), L. G. Chiozza Money, M.P., J. S. Nettlefold, T. C. Horsfall, J. B. Marr, Albert Shaw, Professor Niebolson, Dr. Shadwell, J. Ellis Barker, and to the medical officers of health, Municipal leaders, and officials, and innumerable gentlemen, who gave me every facility in their power to see, know, and, I hope, understand Britain. These facts must tell their own tale. It is mainly by the study of British social and political life that the young colonial can expect to see his own country in a proper light. Since it is not always possible for every thinking young man or girl to see the realities of Britain for themselves rather than take the cable man's word for it, I have presented these pages in the hope they may be of assistance.

There is, however, one thing that must be borne in mind. That is that Britain is in a state of transition. A marvellous development and change is pulsating through almost every strata of her being. If not in political achievements, her Municipal work has outdistanced the Australasian colonies. The American cities have also been left behind. She is the arena of gigantic and conflicting interests. No country in the world presents such extremes of life. The very nature of her problems and her adversity has produced intensely individualised men of progress. Their concern is communal welfare as opposed to individual wealth. America is still in the throes of a mighty individualism that once wholly possessed and still has its roots thrust deep into the heart of the Motherland. Britain has instead moved slowly but perceptibly in the direction of collectivism. She is still moving. The great, black, hungry mass swarming through town, city, and metropolis shows signs of awakening. The unrest of change is upon the Old Land. The age of industrialism is merging towards a sociological one. Who is there to say that the one is not the complement of the other? The historic lie that Britons never shall be slaves may one day be recognised as only a prophecy in disguise. In the meantime, let every aspiring colonial apply the example of Britain to his own environment. There is ample need for it.

The Author.

Chapter I.

The Home of Steel.—Life and Labour IX
Sheffield.—the Tragedy of a Worker.—Problems of Industry.

England was full of sunlit glories of the charm of deep lawns and wooded heights, of thatched roofs and soaring chimney pots beneath the old grey church tower that marks the site of many an enchanting village. Splashes of a thousand poppies float through the oat fields in a blaze of scarlet, rippling through endless hedgerows to where the woods gathered high on the hills. The landscape rushes by enthralled with the kiss of Summer. Towns gather suddenly on the horizon, only to whirl by in a stream of bricks and roofs, and finally disappear in the distance—a streak of red pierced by a few faint shafts. A green devil and a string of carriages swaying with the rapture of speed whirls us merrily over hill and dale. The Great Central ten o'clock special from Marylebone is rushing us on to Sheffield, knocking off the miles sixty to the hour almost to the second of time. Leicester and three hours of loveliness such as England only knows, are far behind.

But a change is at hand—a strange incongruous transformation speaking of fierce energies, fires, smoke and desolation. A bank of brown luminous cloud hovers on the horizon. The sunlight vanishes. Trees that a few minutes ago were radiant with splendour turn dim and strange. A faint mist blurs the land-scape. The bank of brown cloud remains stationary in the distance. Only the mist thickens until the country has the appearance of being affected by some neighbouring bush fire. It is literally smothered in smoke—fields, villages, woods and hills. The cause rapidly becomes evident. Tall shafts and fat ugly retorts pour out the clouds that gather fast over hill and dale. The Great Central ten o'clock special from Marylebone is rushing us on to Sheffield, knocking off the miles sixty to the hour almost to the second of time. Leicester and three hours of loveliness such as England only knows, are far behind.

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men, women and children, is the staring revelation of poverty. There was something in the contrast that hurt. I turned away disappointed and painfully disillusioned.

In distant seas, where the smoke of great industries is virtually unknown, and the voices of these activities reach one only in murmurs, imagination is quick to picture these wondrous things of industry amid the romance which surrounds them. A nebulous conception comes to one of vast and whirling machines, of great fires and mighty energies called into being by the will of man. The story of invention holds the thoughts spell-bound with its wonder and victory. A suggestion of spires and domes rise up proclaiming the dignity of labour and the grandeur of achievement. One sees only the shadow and forgets the substance. But all the fantastic fabric imagination reared in the days of anticipation is withered and broken at one touch of the tremendous realism that smothers the hills of Southern Yorkshire.

"Sheffield in five minutes!" The words of the guard find a response in one's pulse. The train rushes through long sidings, and in a few moments is darting by black stone buildings and shafts that mark the outskirts of the great steel centre. They crowd together craning with roof and chimney pot to shut out the sky from one another. In a moment they suddenly rise out of sight as we sweep into a cutting. The network of lines increases. There is a violent grinding of brakes, and we are slowly enveloped by a great black roof. Carriage doors are flung open, and in a moment there is a mass of humanity swirling amid the stygian gloom of Sheffield Victoria Station. The babel of a hundred voices is shut out by the arrival of another express gliding in on an opposite platform with a cloud of steam roaring from her safety valve. The whole scene is pregnant with feverish activity. It heralds what lies beyond the exit where one scrambles to at last for daylight and deliverance, with pulses throbbing to all the life, the wonder and the fierce energy of Sheffield's black and throbbing station.

In contrast to the wooded hills and the long radiant valleys, nothing could be more powerful or dramatic than the historic and busy centre of Sheffield. Placed as it is in a neighbourhood of wondrous charm and sylvan glory, the city and its immediate environment are hopelessly unbeautiful. From the eminence of Victoria Station, the eye is greeted by a sea of blackened roofs and chimney pots straggling from a gloomy valley to the hills beyond. It lies before one naked in ugliness, what with its miles of crooked and cranky streets, its endless chimney shafts and slated roofs crowding in from remote horizon to the eminence, where the Town Hall points a ponderous and sooty tower to the smoke-stained skies.

Sheffield is a characteristic example of a city grown without design, and attaining blindly to the proportions of a metropolis through a century of industrial revolution. In most manufacturing towns in Britain, there is usually an area more or less defined where the factories do not intrude. In Sheffield they appear to be everywhere. There is no place sacred from the desolating influence of the tall shaft with its cloud of smoke. The old streets are very narrow and full of irregularities. The houses and streets for the most part in these areas are revoltingly dirty. Nothing could be more repulsive or indicative of the evils that have arisen with the growth of the factory system in England, than some of these historic thoroughfares of Sheffield.

It is necessary to see it under sunlight and rain to realise, if need be, what certain environment and activities may entail upon the mass of the people. The rain subdues the City into masses of roof and shaft, reaching with uncertain outline through the smoke. The narrow streets loom up in wet indefinite perspectives, and all their mass of men and horses carts and wagons lurching across the cobbles are smudged into the picture.

Sunlight, on the other hand, accentuates every detail with curious and persistent aggressiveness. Every door and window, and every dirty face and greasy garment thrust themselves upon the observation in brazen ugliness. Dirt and poverty seems to spare one not a detail of their shamelessness. Overhead the smoke hangs in a listless brown canopy in the sunlight. In the hot, humid streets and the long, black buildings the fierce, relentless activities of men and women pass unceasingly, and the making of great riches on the one hand and greater poverty on the other tells its story afresh. One looks for beauty in vain. It fled to the hills years ago—the hills where there are so many fine homes and bright, clean faces. Is it not enough to make us wonder how far the riches of the one are the price of the other?

In 1901, the medical health officer reported that 29 dwelling houses were unfit for human habitation, 49 dirty 96 overcrowded, and 1,116 damp or dilapidated. In housing conditions altogether no less than 9,061 defects were complained of. It must be recollected that the terms "dirty," "overcrowded," or "damp," imply an insanitary condition below the standard we might imagine them to mean in say, Wellington, or even Sydney. The climatic and atmospheric conditions of Australasia make it almost impossible to measure the state of a insanitary condition below the standard we might imagine them to mean in say, Wellington, or even Sydney. The climatic and atmospheric conditions of Australasia make it almost impossible to measure the state of a
was typically illustrated by a case where we found a labourer—an unskilled worker in a neighbouring foundry living with his wife and six children in two rooms. Across some of the streets lines of washing were hung for the reason that there was no backyard for the purpose. In one part there were several large tenement dwellings, where makers of cutlers lived and worked. The landlord, it appears, provides the light, power and furniture, for which workmen pay a rent that absorbs one-fourth to one-third of their earnings. In some of the buildings over a dozen workmen and their families were housed, several occupying three rooms, the majority two, and some only one. The houses for the most part were old, leaking, and dilapidated, and the conditions under which the workmen laboured and their families existed were nothing more or less than revolting. Sheffield is not extraordinary in this respect. One can find similar examples of disorder existing in every large manufacturing centre. They all partake more or less of the same character, varying principally in the degree of smoke that pollutes the atmosphere, and the filth that seems inseparable from the houses. The first rush of impression transfixes the stranger with horror, and for the moment he hovers between the wonder and the terror of the grim, staring reality it reveals.

The effects upon a people of housing conditions so defective, and accompanied by all their corollaries in dirt, disease, moral ruin and degeneration, are things every community, young or old, should certainly realise. The importance of it

Their only Soap is Sunlight.

Types of slum children. The boy is three years old, but not properly developed, owing to constant underfeeding.

The children of the slum take their chief amusement by playing in the gutters until they are old enough to work. The mother being usually away all day, they have to shift for themselves.

was well demonstrated in an edict issued by the Minister of the Interior for Saxony (Germany) in 1901, when he said, "In proportion as the housing conditions are insufficient, the general working and disease-resisting power of the population is weakened, the outbreak or spread of certain serious diseases, especially typhus, consumption, and syphilis, is promoted, morality and contentment are undermined, intellectual training is lowered, and at the same time the economic success of the individual citizen and the general welfare of the community are endangered and injured."

In the case of Sheffield, the statement is only too clearly justified in the melancholy record presented by the Medical Health Office report for 1906 (the latest available up to the time of writing). Sheffield's population is 382,384. Compared with other English cities. Sheffield comes thirteenth on the list of highest death rates. Out of the total of 7475 deaths in 1906, 3129 were children under the age of five years. Two-thirds of the children died before attaining their first year. Could anything be more striking than such a rate of infant mortality?

A detailed examination of the figures shows clearly that the mortality amongst children (which is very high in all industrial centre in England and Scotland) is due to causes directly traceable to defective surroundings and insufficient feeding. Lack of food and sunlight, supplemented by congested conditions and parental ignorance, are just the things that make thinking men apprehensive for the future of the race.

On the hills to the west of Sheffield, where the smoke can seldom penetrate, there are many modern homes reared amid trees and flowers. The suburban electric car glides merrily on to their secluded heights, bearing bright-faced children, and well dressed people out to the sunshine. It is only as it should be. In these modern
garden suburbs England is beginning to rear one reads the hope of the future. Already they serve to accentuate
the horror of the valley. It is a contrast that for all time will hold with condemnation the memory of staring
walls and gloomy shafts staggering above the sickly waters of the Don. It was the Don that centuries ago drew
the primitive cutler to do his grinding by its verdant banks, and from such beginnings sprang that romance of
industry, the tremendous fascination of which is strangely belied by what is now a pale stricken flood, winding
amid fierce panting factories on the one hand, and desolation and misery on the other.

There are very potent things to be told of this marvellous throbbing Sheffield. Take, for instance, the
making of cutlery and file cutting. Both industries long ante-date the introduction of steam power.

In bygone days, ere the white wizard was harnessed to the chariot of industry, the manufactures of England
were principally conducted in the homes of the workers. Every house was a factory, and every factory
demanded its toll of labour from father, wife, and children alike. To all intents and purposes, the father was the
embodiment of owner, board of directors, manager, working foreman, and shareholder. Such of these domestic
labours that still survive the revolution effected by the invention of power and machinery are termed "Home
Industries." Nowadays it is around these home industries that some of the most difficult social and industrial
problems gather.

Sheffield clings with singular tenacity, to the old conditions under which cutlery grew to be one of its
flourishing industries. Although there are a number of large factories, there are many folk who live and work in
large tenements or in small workshops controlled by small employers. There are something like 1200 of these
workshops in existence. They are to be found chiefly amongst the most crowded areas in the city, and, as may
be well imagined, the health conditions are wholly bad and insanitary. Usually a building of several floors
subdivided so as to give separate accommodation for a number of families.

Even in the large factories the cutler plies his craft under much the same conditions as his ancestors did.
Each cutler has his own little forge replete with bellows, water tanks at the side, and anvil in front before the
open window. In a minute or so he can shape out a pair of scissors from a bar of steel, and by the ordeal of fire
and water temper it to a degree beside which machine-made cutlery is rubbish. It is a craft so skilled that no
inventive ingenuity has succeeded in revolutionising the old conditions under which the finest knives, razors,
and scissors are produced to-day. It is Sheffield's priceless heritage.

The larger factories comprise dozens of these tiny forges squeezed together in tight congestion. The
grinding of the rough-shaped product of the smith comprises another branch of highly skilled labour.
Unfortunately, it is responsible for a very high percentage of lung troubles amongst the workers, as I will show
presently. Owing to the overcrowding of the workshops that have little ventilation, and the absence of
opportunity to acquire sanitary habits, the cutlers in themselves are not an asset of health to the community.
Besides insanitary housing and industrial conditions, there are two things that operate against the chances of the
workers. One is that the earnings are not at all commensurate with the quality of the work, whilst the habits and
the domestic ignorance in the homes militates against the full value being obtained from the money they earn.
An ordinary workman, when labour is plentiful, can average 37/- a week on piecework.

Out of the 15,600 people who represent the cutlery trade of Sheffield, there are some 2,500 females
employed, the majority of whom are unmarried. Whilst working hours in Sheffield generally run from 6 a.m. to
5 or 5.30 p.m., many of these girls can only earn from 9/- to 12/- a week. To see these girls at work in front of
their benches, filing, rubbing, and polishing, to breathe the atmosphere in which they work week by week, year
in, year out, to note their modest meals of bread and dripping—maybe butter sometimes—a mug of stuff called
teas, and occasionally a particle of meat or fruit, cannot but make one marvel at the system which orders such
tings to be. I came across a unique case of female labour. It was one of those minor tragedies of an individual
life swamped in the ocean of toilers. The foreman of a well-known establishment pointed out to me with some
pride a woman at a bench tiling and polishing scissors. Her withered features and scant grey locks suggested
"four score years and ten." She had come in as a girl of fourteen, and had been toiling at that bench of
piecework for 50 years. Previous to that she had worked from childhood in a "home" workshop. Her wages had,
according to the foreman, reached "as high as 23/- per week in her prime." I give his words. "Isn't she a
wonder," he said admiringly, "64 years old and still working?"
"Remarkable," was all that I dared to reply.
"She used to work like a man," he added with a chuckle. "They used to get jealous of her. She could beat
some of them out of sight."
"What can she earn now?" I asked.
"Well, she's old now—not so young as she used to be, you know—still she's a

One of the Effects of "Town Cramming."
wonderful old body. She makes about 8/ a week," be added in an undertone.

Eight shillings a week at 64! I left the foreman and wandered over to the old lady's side. She never ceased working a moment. I spoke and pretended to admire her work. She only grunted, the file in her hands never halting a moment. The foreman plucked my sleeve, and as we went away he whispered, "She don't say much now, but isn't she a wonder?"

I nodded, and went to the doorway.

There were about twenty girls working in that room. I stood awhile and watched them. A picture gathered in the heated atmosphere of the days when there were twenty girls working by the side of a poor little lass of fourteen. Where were they now? How many such lives had passed here in the smoke of Sheffield, toiling for a pittance? What perversity was upon humanity that had allowed such things to be, that foreman and workers alike should find admiration and wonder in the labours of a palsied old woman for whom there was until recently no old age pension, no years full of honour—only the darkening future? I thought of New Zealand and its Minimum Wage Act, its Arbitration Court and Factory Inspectors, of its State edicts by which the will of the individual was debarred from enslaving the mass. That broken old woman made a picture no imagination could resist.

With file-cutting the conditions of labour and living are much the same. The introduction of machinery has done, and is doing, much to break up the antiquated establishment where hand labour is still persisted in. In the surroundings of the home workers there is the reiterated note of dirty conditions, poorly clad and poorly paid workers, both men and women, striving to reach the line where poverty ends and self-support begins. Many of them do not attain it at all.

The natural surroundings of Sheffield are such as to make it one of the healthiest and certainly one of the most attractive parts of England. This probably contributes towards placing it thirteenth on the list amongst other centres in the matter of death-rate. But bad industrial conditions must necessarily make their effect evident, even in the best of natural surroundings. The city vividly illustrates this. The average death-rate for the whole community is 16.7 per 1,000. The report of the Medical Officer of Health for 1906 shows that percentages of mortality amongst workers were as follows:

- Phthisis and diseases of the respiratory system are in the main responsible for such an appalling condition of things. "More than 100 deaths of men from phthisis are caused every year by the exceptionally bad conditions under which they work," the report says. Turning for a moment to a page in which the M.H.O. discusses housing conditions under which the majority of these people live, the report makes the following statement: "In some cases there are houses with five or six rooms, containing a different family in each individual room. The furniture is, as a rule, of the most meagre and dilapidated description, usually some sort of a bed or two (frequently vermin infested), a packing case stood on end for a table, a bottle for a candlestick, and one or two other such like substitutes. A single room containing a few shillings' worth of furniture usually lets for 4/ a week and upwards. . . . The tenant can be turned out any time during the 24 hours."

It is thus by a combination of extraordinarily defective industrial and housing conditions one may arrive at vital causes largely responsible for the melancholy record shown above.

Chapter II.

Preparing for War.—the Making Armour Plates.—the Building of a Battleship.

The bulk of Sheffield's toilers, to the number of 23,200, are engaged in the great metallic and engineering trades that to-day make the city England's great steel centre. There are volumes that have been said, and still volumes unsaid, in regard to its potential industrial wonders—wonders that are materialised in a mass of
The watcher is transformed to a vivid expectancy. Showers of red hot ashes begin to fly from the point of the just above the trough. The workmen steady the ladle with long poles, and the anticipation that has long filled with perspiration. "If they didn't sweat," said a workman, "the heat would burn them up."

A long trough is swung into position between the furnace and the ladle. The men already drip time a monster ladle or bucket that is to be used to convey the seventy tons of glowing metal from the furnace to the mould. A long trough is swung into position between the furnace and the ladle. The men already drip thick bands of steel. Half a dozen men, naked to the waist, appear as the crane glides forward again, bearing this pit beside the furnace, and lowers the mould into position. The latter is an immense affair, strapped together by bubbling like the surface of a planet in eruption, swims before the eyes.

One retreats conscious of a darkness, in the atmosphere, whilst the memory of a livid white flood, boiling and fire in order to bring the metal to the requisite molten state. By the use of blue spectacles it is possible to obtain an early impression that suddenly assails one on entering the yard of a big works is the tremendous vitality concentrated in such an industry. A vista of retorts, travelling cranes, and other apparatus, overshadowed by long, lank shafts, vomiting smoke and fire and steam, falls into perspective. The world, for you, is transformed into a great arena, throbbing and panting with dominant energies. The eye hovers between a sea of black, irregular roots and wide, grimy spaces filled with men and locomotives, or horses dragging a massive block of steel that one day will emerge into a great gun or a monster marine crank. Every human unit, dirty and sweating, maybe, is the expression of a pent-up energy beside which the clamour of the machines can offer no distraction.

A theory was once propounded that the universe was an experiment in creation, and it had gathered so much force and impetus since the dawn of time that it had passed beyond the divine control. It would seem that on plunging into the heart of a great steel works that its piles of machinery had rushed from the power of man, and that he, powerless at the might of his own creation, was being drawn into a vortex where destruction was ultimate. The individual self seems hopelessly overpowered before all the force that casts, squeezes, rolls and pounds into shape the livid, molten ingots. The blinding heat and blaze of fires, the leaping, dazzling clouds of steam, conspire with suggestive perspectives looming through the smoke to trick the imagination. The whole scene partakes of the force of some fantastic proceeding. The senses stagger beneath bewildering noises and movements. But illusions have no chance before that grim, blatant reality. The picture of men's disordered machines engulphing him in destruction pales, and out of a mass of fitful impression there slowly emerges the realisation of a marvellously complex scheme of labour, in which the genius of order is triumphant.

The foreman suddenly appears with a long crowbar, and commences to pound a hole in the furnace wall.

A travelling overhead electric crane, reaching across the full width of the building, suddenly glides over the pit beside the furnace, and lowers the mould into position. The latter is an immense affair, strapped together by thick bands of steel. Half a dozen men, naked to the waist, appear as the crane glides forward again, bearing this time a monster ladle or bucket that is to be used to convey the seventy tons of glowing metal from the furnace to the mould. A long trough is swung into position between the furnace and the ladle. The men already drip with perspiration. "If they didn't sweat," said a workman, "the heat would burn them up."

The foreman suddenly appears with a long crowbar, and commences to pound a hole in the furnace wall just above the trough. The workmen steady the ladle with long poles, and the anticipation that has long filled the watcher is transformed to a vivid expectancy. Showers of red hot ashes begin to fly from the point of the
crowbar. Every thud strikes into one's heart and brain, but still the psychological moment does not arrive. The
monotony of this slow, deliberate process of penetration becomes maddening. Minutes of suspense seem to
separate the blow. Each stroke is charged with tremendous excitement. Suddenly there is a shout, the crowbar
drops with a crash. The moment of realisation comes with a violent upheaval of red dust and ashes, and in a
flash, a yellow flood leaps out in a blinding spurt and tumbles headlong into the great ladle. One is
tremendously dazzled by the flood as it falls, hissing, roaring, suckling and laughing, with the exultant frenzy of
fire. Showers of sparks rush up and burst into hundreds of fiery atoms. A great cloud of vapour curls out of the
ladle, and bulges into the blackened girders of the roof as they are caught with a vivid reflection. Like a flood of
lava, the thick, hot flood rises in the mould, torn with desperate sputterings and gurgles that tremble through the
long vista of the foundry. The workmen stand as near as they dare, black and ragged. The sweat runs channels
down their grimy faces. The great ladle slowly fills, and the cloud of sparks grows less.

The colour of the metal changes. There is a shout. The long trough tips up on end, and from the gaping
wound in the furnace, the slag gushes redly out, only to be lost amongst the dust and ashes of the pit below. Out
of the gloom overhead an arm of steel descends, and in a trice the ladle with its molten mass is hoisted clear and
swung like a baby over the mould itself. At a touch from the foreman a valve under the ladle is liberated, and
the metal spills steadily into the gaping mouth of the mould. So the monster ingot grows apace, brimming to the
very edge of the walls that shape it.

The process which follows brings into operation all the marvellous powers of the hydraulic press that can
develop a pressure from 10,000 to 14,000 tons per square inch. The hydraulic press is virtually an evolution
from the steam hammer. Where on the one hand there are noises and blows that shake the very earth with a
tremendous force of impact, on the other there is only a black monster moving noiselessly to the touch of a
lever with hardly a vibration in all its marvellous silent exhibition of force. It leaches high into the roof,
combining with a pair of immense cranes an array of forces before which the resistance of that solid seventy
tons of glowing metal appears to be no more than if it were butter itself. The mass of metal is drawn out of the
furnace at white heat and swung gently under the jaws of the waiting monster. It betrays nothing of its nature or
purpose. A man touches a lever and the press glides softly downwards. It kisses the white hot metal without a
sound. Nothing happens, only the press does not stop. Great black splinters suddenly start off the sides of the
ingot, blacken and fall. One is thrilled to the marrow to see the solid steel shrinking before the eyes, going
down gradually before that noiseless marvellous force. It is one of the most remarkable mechanical
developments of the nineteenth century. Neither nature nor man has ever achieved before a thing that secures
without fuss or sound such crushing invincible power.

The fury of a volcano, the bursting of a meteor, the blowing up of a battleship, all present forms of intense
force. There is force, too, in the Lusitania's turbines, in Niagara, or the omnipotent rush of the avalanche; but
with all these things there are disturbances and violence. The hydraulic press will pulverise tons of steel without
so much as a tremor. Its embrace is irresistible, its slow silent force stupendous.

In the rolling of the rough shaped plate which follows is one of the finest Spectacular sights in the works.
The plate is drawn from the furnace white and glowing. The cranes drop it exactly into position on the floor of
the rolling mill. The latter is made up of a series of small cylinders. At a touch from a lever they revolve, and
the mass is shot along and thrust into the jaws of the main rollers themselves. With an im-

In a Big Steel Works at Sheffield. Rolling Armour Plate.

mense rumble that makes the ground vibrate, the rollers seize the glowing mass, and in a flash it is banged
through on the other side, flattened a little by the colossal pressure. The plate is passed backwards and forwards
through the massive sixty ton rollers by reversing the mill each time. As it passes through, piles of wet
brushwood are thrown on to the red hot surface to enable the scale on the surface of the metal to be got rid of.
Immediately the brushwood reaches the rollers there is a sound like the bursting of a dozen steam pipes. Flames
shoot up twenty or thirty feet above the mill, and one is dazzled by a blinding effusion of sparks, fire, and
clouds of steam. The violence of the display is astounding. After all that fierce uprushing of fire and water, so
rapid is the combustion that only the blackened plate remains to tell of it. But a curious result has been effected
As a rake is passed over the plate the scale comes away freely, leaving only the smooth surface to speak for the
power and efficiency of the machine.

The armour plate mill is another of the giants that the dominant thought of industry has produced. Inspired
by great engines its thunders shake not only the earth, but reach far down into the depths of the social fabric
itself. It is animated by the same spirit that virtually dominates all Sheffield. That spirit is the Demon of War.
So far the processes described have seen the casting of the ingot and the rolling of the plate. They are merely the preliminaries to a long series by which the plate passed over acres of grounds, through numerous departments in order that it may be bent, rounded, bored, planed, cut, drilled, ground, and finally tempered so hard that a punch hit by a sledge hammer will not leave so much as a mark on its surface. Thus it is, after months of labour, representing a vast expenditure of human energy, of thought, of natural resources, of money, that it emerges at last from the great black works, a finished product to be but one small constituent part in the mass of a big battleship.

Beside armour plates, the processes which represent largely the energy, thought, and human activities of Sheffield's thousands of workers are just as involved in the production of guns. Monster twelve-inch guns, over fifty feet long, that cost thousands of pounds sterling—in the making, too, of the giant engines that are to drive the fighting machine on its mission of death and destruction.

One small constituent part in a battleship! All this life, thought, science and labour concentrated upon a single armour plate!—the mind staggers to think of that and realise there are thousands of parts to a battleship. Think of the steel, iron, copper, and brass that goes to the multiplicity of its being. One can dimly picture something of the enormous resources, the energies and the activities demanded from millions of civilised mankind for the construction and maintenance of England's Navy alone. The might of ancient Egypt or Persia, "the glory that was Greece and the grandeur that was Rome" can offer no such tremendous example or achievement. No nation on earth has ever shown so much constructive thought applied with such breadth, cohesion, ingenuity or remorseless deliberation as that which actuates the great Naval Powers of the day. All Europe seems to be convulsed with a Titanic thought of war. The minds of the nations run to "Dreadnoughts."

Let it be realised for a moment what a far-reaching influence of national thought the construction of a single Dreadnought is. Thousands of tons of iron and copper have to be mined, transported, smelted, transformed, cast, rolled, tempered, planed, bent and shaped to ponderous ribs, plates, armour belts, barbettes, shields, guns, torpedoes, tubes, engines, boilers funnels and other such things. Hundreds of thousands of minds are alone required to think out, plan and produce those outstanding elements. Let it be realised at the same time that there are armies of men and women working with the same intensity and feverish haste in the production of clothing, electrical appliances and machinery, in creating, making and testing the galaxy of destructive forces known as ammunition, shell, and torpedo. Let it also be realised the processes involved, the minds employed on searchlights, range-finders, telephones, wireless telegraphy, and other highly specialised inventions that all determine the art of war. Lastly, let us think of the multitude of men, who are splendidly trained, equipped and seafaring the dread of other nations. How many people, when they talk of building Dreadnoughts, realise how far-reaching, how remarkably incisive into the very roots of national thought this mighty symbol of war is. There is no other production of modern ages that demands so much national effort, that commands so wide a range of individual minds, that permeates the whole social and industrial fabric of a nation as this great black battleship. And for what? In order that one day she may belch fire and destruction upon other men and nations, to be herself, perchance, torn by the convulsive rending death agony of the torpedo, or with bursting boilers and frantic meeting of bow and stem in midair, to plunge with her hundreds of souls, her fabulous wealth of construction, beneath the boiling, foaming sea—wasted, ruined, spent!

The big Sheffield works usually take a day to explore, and their magnitude may perhaps be gauged if one takes the excellent up-to-date premises of Messrs Vickers, Son and Maxim. They cover 65 acres, and employ on an average 4000 hands. Cammell and Co. are another historic firm who employ from 3000 to 4000 hands on an area of 32 acres; also Thomas Firth and Son, with 2000 hands and 40 acres. There are many others, not omitting John Brown and Co., who built the Mauretania. Most of the larger works have their own ship-building yards on either the east or west coast, and their head offices in London.

One cannot escape or ignore the potent fact that in the production of war material all the big works depend largely upon the British Admiralty for existence. A certain process of cause and effect, too, can be traced out in the opposition to a policy of naval retrenchment, when one begins to look into the Boards of Directors or examine the share lists. Under the present commercial competitive basis of industry, and where works are in the hands of a number of private individuals in the guise of a public company, one can understand why any action on the part of a Government which results in a depreciation of share dividends produces unpopularity. The morality of the thing is another question which cannot be dealt with here, however much one would like to differentiate between the actual standard required for England's naval supremacy on the one hand, and the keenness of certain commercial classes on the other to do business and make dividends at the expense of the nation.

In recent years one has heard a good deal in regard to the backwardness of England's industries in comparison with those of Germany and America. There is much talk still of the hidebound conservatism of both the average English employer and worker in recognising the possibilities of inventions, and a regard for
old methods that was almost hopeless for new. In numbers of the older factories, the condition of things give some colour to such pessimistic assertions. One finds them badly laid out, dark, dirty and very little ventilation. The machinery and appliances are quite in keeping with the surroundings. In England, the sentiment which attaches itself to the antique is national. In Sheffield one finds evidence of such sentiment in the dirty accumulations that have done duty for years. But all that, with some of its glaring records of heavy industrial mortality, of scant wages, and other injustices to the mass of its humanity, diminishes steadily. Even within the last five years, Sheffield's big works have undergone great changes. Old plant has been swept away and "scrapped" with almost ruthless vigour. New machines have been obtained, and the manufacturers, when necessary, have not been afraid to go abroad for them. Better, brighter, and larger works have sprung up, bringing not only the example of modern ingenuity, to contrast with the old, but far healthier conditions for the workers. The latter are at last being recognised as of vital importance, not so much to the workers, but to England's industrial efficiency itself. It is commonsense that clean houses, good food, and sanitary conditions of labour are essential to any standard at all of industrial efficiency. The effect of the newer premises on the appearance of the workmen is astonishing only by the comparison it makes with those of the older premises. On one hand, there are pale, dirty, physically defective and frequently dispirited bodies of men; on the other, an alert body of workers keenly alive to the needs of their companions.

In Sheffield, however, in common with other manufacturing centres, there are other things than big works to consider. Small concerns are a far-reaching feature in the life of the city. They exist to-day in large, though decreasing, numbers, from the fact they long preceded the advent of the big works, which increase in number every year. With the small concerns, the greatest evils of the industrial system of the Nineteenth Century were associated—evils that are revealed in overcrowding, insanitary surroundings, dirt, ill-paid, underfed men, women and children, and all the consequent social horrors that resulted therefrom.

The work ahead of Sheffield to-day, work that must be achieved for the most part by the collective action of the municipal authorities, is almost impossible to describe. But if industrial phthisis and infant mortality are to take their fangs out of the social life of the people, if the 1,796 liquor licenses of the city are to be prevented from reaping their annual toll of misery and degradation, if those wretched slums are to be no more than a black stain on the past, and the great mass of the people are to be raised from the slough of ignorance and poverty, Sheffield must both work and fight. Whether that work will be ever accomplished or what the fight for progress may entail is beyond conjecture here.

The problem seemed to gather great force, as I left Sheffield one wet, grey evening looming through smoke and rain. A line of black retorts, tanks and long shafts, were blurred against the lying day. But from the distant streets, from those channels of the life of the people themselves, a flash of lights sprang up and touched the gloomy heavens with a soft pink glow. It was a strange, glad light in the darkness, and I wondered how many of the great army of workers down there in the rain and the smoke would see in the wet and glittering street what I saw reflected on the heavens.

Chapter III.

Ten Acres of Hell.—a Night in a Steel Works.—Labour and Production.

In the vicinity of Sheffield, the country is full of deeply-wooded landscapes sheltering many a quaint village, many a romantic tower soaring above some silent sunlit flood. Spires and roofs hover among the trees and over hill and dale, spellbound with beauty, the radiance of summer floats. It was amid such surroundings that the early cutler came and pursued his craft. In many a shaded vale by the banks of the rippling radiant river the primitive steel was ground. They were the days of "little masters," each pursuing his individual will and little dreaming of the change that was at hand.

But industrial England was suddenly shaken to the roots by revolution. The great white god of steam had been chained to the rock of industry. With the development of mechanical power a new order of things, marshalling men, women and children into factories and from factories into big works, came with irresistible force over the hills. Foundries, shafts, furnaces, retorts, derricks, stag heaps and other things, rose with the flood. The triumph of invention had begun. The hills and man went down alike before its irresistible sweep. Ribands of steel shot like silver streaks through the land and with them noise, fire, transit and whirring wheels. Towns were convulsed with activity and expansion. England suddenly deserted her centuries of agriculture to
become the manufacturer for the nations. Europe was reverberating to the voice of cannon. The tramp of armed hosts and all that romance of war which found expression in blood and slaughter blinded the continent to what industrial expansion meant to the Englishman.

America, too, was torn with dissension and civil war. Britain stood apart in the cultivation of the fruits of peace. The gloomy period that ended with 1815—the period that witnessed the doom of Napoleon and England drained and crippled by war—had passed. The industrial era brought demand for the new and destruction to the old. The Motherland was thrilled from shore to shore, and down to the very fabric of her social foundation by its giant cataclysmic force of revolution.

To-day one sees the march of events in piles of chimney stacks, in pipes plumed with steam, in jagged derrick and tangled twisted girders, in furnace and roof reaching up in black and drunken shapes to the pitiless dominance of the smoke. The might of it is huge; the genius that inspires it astounding. Nothing could be more potent in contrast to its array of unbeautiful, stunted and blackened elements than the sylvan splendour that once adorned the land and filled its vales with loveliness. That contrast which suggests itself so aggressively to the stranger is still to be had between the moors and vales that reach out on the one side of Sheffield to the scenic wonders of Derbyshire and the torn and devastated area, overpowered by chimney stack and smoke, that lies on the other between Sheffield and Rotherham—Rotherham and Leeds.

Outstanding in that conglomeration of machines and plant are the great Steel Works for which Sheffield is so justly famed. In all the industrial activities that are associated with the phenomena of fire, smoke and steam, nothing is more attractive or inspiring than these massive concerns. They rise up filled with vast energies. Some of the great wonders of the mechanical and chemical age are compressed into their complement of blast furnaces, stoves, Bessemer converters and rolling mills. One hears them from afar throbbing with an activity that knows no peace, day or night. They are dominated by the omnivorous demands of the Nations for production. It is their's to do, and man's to die. In the twilight hours, when the cities themselves are blotted out in the smoke, they gather on the hills—strange grim piles silhouetted against the glowing west. Long canals glide past in the gloom and unwind their silver glories to the stars. Electric lights flash through the smoke and steam, flames leap out to the darkness, but over all, over the black smothered country a vision of these palaces of industry rise up in the night, black and fiery, proclaiming the might of industry. There is a strange beauty on the scene charged as it is with so much blatant realism, but it is a beauty that mocks. Underneath it all and down in the valley amid that huddled congestion of houses is the man, the woman, and the child, and that is the problem!

A visit to a big steel works at night, when all the processes by which iron ore is transmuted into the finest bar steel, are in progress, is one of the sights of modern industry. The melting of the raw material by the blast furnaces, the burning out of its impurities by the Bessemer converters, the casting of the molten metal into ingots and the rolling down of the glowing mass into fine bars of steel are things associated with an extraordinary accompaniment of fire, steam, noise, dirt, danger and sometimes disaster. One is ushered from the outer darkness into arenas of bewildering activities, of dazzling bursts of flame and molten metal. In the yards, where the massive furnaces tower into the gloom, locomotives gather and bear away to the fiery area of converters the inexhaustible flood of metal that the world awaits. One stumbles over innumerable rails, over areas of slag, sand and waste, past a fairy waterfall of coolers, into, at last, the long black halls of labour. They are full of shouts and noises, and shadows moving restlessly against the furnace fires. There is neither disorder nor waiting. It is simply organised labour brought to the maximum of production. The men are grimy and sweating, but they do not stop. They pass with gleaming eyes and matted hair. One looks in vain for the familiar type of slow, heavy British worker, plodding along in his rut of unprogressiveness. These men fill the place with extraordinary energy. The work proceeds apace. From daylight to dark, round the twenty-four hours of the clock, it is the same. Nowhere could the realisation of the link between time and money be more complete—more strenuously recognised.

High in the roofs electric cranes glide to and fro. They swoop down in the darkness like birds, swift and voiceless. For them, there is neither the song of the morn nor the twilight, only the clatter of steel and the ceaseless rushing of sparks. It seems as if machines and men were in unison with nature beating out some great symphony upon the breast of the world, and the effect is mad yet masterful, inspiring yet terrible.

A blast furnace is, in appearance, like an elongated gasometer, reaching to an average height of sixty-five feet by twenty-five feet in diameter. They are usually erected in rows of half a dozen on an eminence together with companion towers known as Cowper stones, each some 75 feet in height. With the assistance of these stones, gas is produced and ignited in the furnace under a blast pressure of some 5lbs. to the square inch, which develop a tremendous heat. The furnaces are charged from the top with ore, coke, etc., and the materials are speedily reduced to a molten mass. The capacity of these monster furnaces may be gauged from the fact that six of them produce 4000 tons of metal from some 12,000 tons of material per week. All that material has to be hoisted the full sixty-live feet of the furnace, and let into the furnace through hoppers.
Immediately around the furnaces is a scene of extraordinary desolation. Large areas of sand lie at the base, ready to mould the molten metal into ingots of iron if steel is not required. The surroundings seem to have no thought above slag heaps, ashes and waste material. At night one is dwarfed by the fiery towers in a grey and melancholy wilderness Everything is given over to an orgy of fire and smoke, which reaches extraordinary intensity when the furnaces are tapped, and their tons of seething metal borne away in great ladles by locomotives to the converters. The furnaces have been roaring for hours. A little group of workers are gathered in the gloom at foot, silent and sweating, for the heat is almost unbearable. The foreman gives the signal. Crowbars are plunged into the wad of clay that corks the outlet, and in a flash, as the men leap aside, a flood of fire bursts into the night. It roars and suckles greedily down a bank of sand, dazzling the night with sparks, and tumbles headlong like a golden waterfall into the ladles many feet below. The aperture widens, and the Hood swells till it rushes down the slope like a stream. The sand channel wears and chokes under the strain. The workers move, black and staring, between you and the Hood. The channel must be kept clear, and thus they stand on the brink of death, face to face with that blinding ordeal, shaping the course of the irresistible flood. Sometimes it happens that the water jacket that keeps the aperture cool becomes fouled and bursts, carrying with it practically the whole of the bottom plates of a furnace. With such a moment there is a blinding burst of metal over the whole bank, and what, working like a demon down there, was man, life, labour, love and parent, disappears with a shriek in that frightful incineration.

Blast furnacemen, as a class, require to be physically strong when young. Their work is hard, and wages are good. But at an early age the strain of occupation, and the example of older workers soon develops in them a heavy propensity for beer. Under the combined influence of intemperate habits, and violent changes of temperatures, they break down readily and become prematurely old. The majority of them die from bronchial and pulmonary affections. They are also in constant danger of being poisoned by carbon monoxide gas whilst charging the furnaces. This gas, which the furnace generates, is very deadly. Two mouthfuls will kill an ordinary man, and even when he is but partially affected by it the after effects are such as to permanently unfit him for his work.

The furnaces drained, and the ladles filled, and the metal is hurried away to the converters, where is passes through a process, the story of which is one of the romances of industry. The Bessemer converter is a fat and bluntedlooking vessel, pear-shaped, and open at one end, about nineteen feet long by seven or eight across at the widest part. Ten or eleven tons of the molten iron are poured into the mouth of the vessel, and a powerful blast of air introduced from the bottom. The air sets up a violent ignition, by which all the impurities are burnt or blown out. The vessel is mounted like a gun, and turned by hydraulic power to an upright position ready for blowing. The roar that follows the blast of air is deafening. Volumes of coloured flame and smoke, and endless sparks, are given off. After a period of from twenty to twenty-five minutes, when the flame turns white, the blast is shut off, spiegel iron is added to the seething mass to restore the proper amount of manganese and carbon required, and then the converter is turned over and the liquid steel run off into a monster ladle, that in turn distributes it into moulds in the pit below.

One approaches the area of their activities dazzled by tremendous outbursts of flame and myriads of sparks, rushing out to the stars. It seems as if the gates of the inferno are at hand. From the shadow of a gaunt iron building, with cinders crunching under foot, the visitor climbs on to a platform, where half a dozen converters, with their blunt noses pointing skyward, are roaring with a terrific effusion of flames, sparks and smoke. All the colours of the rainbow are cast into the ordeal. Below the platform there is a sandpit choked with moulds and men, where preparations are in progress for casting—at least, that is what the great husky foreman at your elbow tells you. Only vague shadows moving about in the gloom can be detected, for the atmosphere is charged with Steam and smoke. Moreover the roof of a long building extends over the yawning pit like the wing of a great black bird. A lurid peep is suddenly given as one of the converters is turned back on its mountings, hurling forth fire and destruction into the building itself. Nobody minds, for there is nothing but iron in its construction, and it is hopelessly dirty and black. Sparks rain into the pit below, but no one stops. Something is shoved into the mouth of the vessel, and back again it turns roaring to the heavens. Down in the depths the workers can give no consideration to the menace of fire towering above them, even though it is the deathtrap of the whole place. It sometimes happens that in tilting a converter back over the pit the machinery fails at a critical moment, and the great vessel lumbers over with a crash. Tons of seething metal are shot with a rain of fire into the pit, there is a shriek—and then—horror!

It sometimes happens, too, that in the casting process which follows, despite the greatest care, a mould will be a little wet. The effect of pouring boiling metal into a damp mould is disastrous. A violent explosion occurs, and it is a matter of chance which of the band of workers in and around the pit is not hit, or who is not blinded by particles of fiery steel. Accidents occur with such frequency that every works of note keeps its own ambulance outfit and staff.

Once the ingot of pure metal is cast, it is hurried away to a furnace, heated and then squeezed down in the
rolling mills. The latter, with their rows and rows of furnaces, adjoin the casting pit. The rollers spread across an immense floor space that extends over several hundreds of feet and out into the yards themselves. They are for all the world like huge mangles fluted so that the ingot as it passes and repasses between them is reduced from a solid red lump to a black strip the thickness of one's little linger. It is virtually one operation that transforms a solid block of metal four or five feet long by some eighteen inches in thickness and width into a thin bar of the finest steel over two hundred feet long. And it is done at pace.

The ingot at white heat is dropped into position by an overhead crane, and the workers, seizing it with tongs, bunt it into the gaping jaws of the rollers. There is a scrunch as it is shot through and clouds of steam rise off the rollers as water trickles over their polished surface. The men catch the ingot on the other side with their tongs and thrust it back over the rollers in no time. It is caught and hurled through again, and so the process of reduction continues, until the long black strip is borne away and sliced into lengths by a high speed saw amid sparks and groans.

The dexterity of the man with the tongs is a thing to marvel at. The ingot bounds at him like a great red serpent. He slips to one side. There is a snick, and instinctively "got him" leaps through heart and mind. But he has need of all his skill and strength. The faltering of a single moment and the scorching metal will have done its worst. No man can afford to stop a few hundredweight of livid steel.

Strings of railway wagons are awaiting the finished product in the yards, and immediately the clatter of loading ends, are rushed off to the main line and so to the omnivorous markets of the world.

The heated mind and body of the watcher finds repose at last under the glad cool stars. The night is full of murmurs as the roar and thunder of tinworks recedes into the distance. One views them from afar, vomiting flame and smoke to the silent skies—a veritable ten acres of hell. Neither the hills nor the vales know no peace from its fierce unrelenting life. It throbs on far into the night, calling at last with syren voice to the fresh thousands for the morrow.

Across the dawn an army of workers drift, stained and weary. Somewhere in the distance are congested streets and their huddled, dirty homes. There will be food of sorts awaiting them, and hungry children too. Is it not incongruous that all this marvellous process of production they are concerned with, these huge activities that make for national wealth, and build fine homes on the outskirts of the cities and rear palaces in London, can do for them no more than this? There is surely something inhuman in the anomaly!

Chapter IV.

The Example of Leeds.—a Chapter of the Past.—Individualism V. Municipalism.

After Sheffield, Leeds at first gives promise of something better, something more of social order and cleanliness than what lies south in smoke and ugliness. The appearance of the large open square upon which all the main arteries of traffic converge, the fine public buildings and modern shops, tempt one to say off-hand, "Leeds is certainly better than Sheffield." I saw Leeds under sunlight the first morning I strolled through its leading thoroughfares. It was building arches, and lines of bunting were fluttering gaily into the breeze in preparation for the first visit of the King to the city since his coronation. Nothing could have been better to impress one with the importance and activity of the commercial capital of Yorkshire.

But there were two things that would not escape observation—the extraordinary blackness of the buildings, and the frequency with which dirty faces and dirty clothes passed along its busy streets. The two elements for a time jarred amid such fine thoroughfares and buildings, but were speedily obliterated by the joy of that sunny morning and the festive note of flags and greenery. I found myself gathering up impressions and consolidated them into kind words for this busy, black City of Leeds. As a matter of fact, I want now to say some unkind things, and show how, through errors of that past, it has in existence many social mistakes to-day—mistakes that offer a powerful example to young and rapidly-developing communities.

Leeds is essentially a manufacturing centre, with a population of 463,495. It engages from 30,000 to 40,000 of the populace in the manufacture of readymade clothing. Owing to commercial usage and the conditions under which the industry has developed, "sweating" has become intimately associated with it. Its workers are, in consequence, some of the poorest and worst-housed classes in the city. There is sweating in the East end of London of a type and magnitude that beggars description. It flourishes, too, in the boot trades at Leicester, in capmaking at Manchester, in various trades in Birmingham. It has, as a matter of ordinary fact, its roots in
almost every part of industrial England. But throughout the country there are no conditions associated with this payment of wages glaringly below the lowest possible cost of living that are conceivably worse than those to be found in Leeds.

The city bears vivid confirmation of the truth that out of the past the present has developed. In 1865 Leeds had reached the extreme of mismanagement. For thirty years previous the town had been under Liberal administration, and it was an example of the fallacy that individualism through private enterprise and monopoly could do better than the collective forces of the Municipality. The work of the town was largely let out on contract. A perfunctory supervision of plans was responsible for a wholesale growth of houses devoid of almost any provision for sanitation and densely, overcrowded. As a consequence, narrow tortuous thoroughfares sprang into existence side by side with those left by antiquity. Gas was supplied by a private company at excessive rates, facilities for passenger traffic were similarly controlled, and of a most primitive description. The water supply was totally inadequate, and had to be eked out by water from private and public wells. The apathy of the Municipality helped to develop the impending crisis. Its true functions were submerged in this process of *laisser faire*, by which the landlord was allowed to overcrowd his land to the maximum with jerry-built houses, and the vested interests of the small traders, the hotels, and other commercial classes were completely safeguarded against any disturbing element of progress. The capacity of the Municipality, in fact, was unrecognised and wholly subjected to the usages of private enterprise. The Council itself was composed of members drawn from the very classes who were responsible for those usages. So it was that after 30 years of public apathy and mismanagement, consequences could not be but inevitable.

A steadily rising death rate suddenly quickened the latent social conscience of the people. The rate per thousand had reached 32.3 (it is at present 16.0). Official reports showed that typhus, diarrhoea, and dysentery existed in almost every part of the town. In the more crowded areas the condition of things was much worse, aggravated by the existence of a large number of cellar dwellings.

The cellar dwelling is one of the worst horrors of nineteenth century housing. When first constructed it was never intended for anything but coals or lumber. The rapidly increasing population of the city, consequent upon the expansion of industry to the detriment of agriculture, and the growth of poverty, brought them other uses. "There were plenty of cellars which were used for coals 10 years ago that are now the only room of one or more families" is the statement of a poor law official of the time. It was thus that the cellar dwellings came to be built and let as part of the habitable portion of each row of dwellings for workers.

The medical evidence and the efforts of some progressive individuals woke Leeds up to something of the condition of affairs. Meetings were held, and, with the assistance of the local papers, pressure was brought to bear on the authorities, until a meeting of representative bodies was called to consider the crisis that had arisen. The opinion of the time as to how far the Municipality should "interfere" with its people is certainly suggested by the result of the Council's deliberations. Apparently, after much cogent reflection, the following advertisement was inserted in the local Press: "Notice is hereby given that tickets for lime or white-washing, and the use of a brush, can be had on the written recommendation of the Aldermen and Councillors of each ward, or from any gentleman of the respective ward committees."

But public clamour and the claims of the progressives were not to be denied. The Privy Council in London was prevailed upon to send a medical officer to make an independent investigation. His report is one of the most remarkable documents in the history of English Municipalities. It showed that Leeds was in an appalling insanitary condition. Thousands of tons of filth filled the public receptacles, whilst scores of tons were strewn about. The reason for this accumulation was evident in the fact that the work was let out as a private contract, and only 45 carts were used to deal with the refuse of a population of 230,000. The domestic conveniences were in a shockingly overcharged condition. Whole areas were found in which the ashpit and other sanitary arrangements were immediately underneath bedrooms, kitchens, and living rooms. Several properties were found that had no such

A Sun Bath in the Slums.

Entrance to a Slum Court.
The houses, being built back to back, get little sunlight or air from the courtyard, owing to the height of the walls.

arrangements whatever. The drainage system was condemned in that it did not include many populous streets, the poorer quarters being, of course, the sufferers. The condition of things with the water supply was even worse. It was found that a fellmonger was pouring each week into the stream, from which the supply was derived, the waste liquid in which a thousand skins had been washed. A rag merchant, who collected both English and foreign rags, regularly washed his wares in the stream. "Have seen sewers run cleaner." was the medical officer's comment.

The Mid-Victorian Council was equal to the occasion. They decided not to make the document public, but allowed any ratepayer to see it who took the trouble to call and make application a the Town Hall. They asserted that the M.H.O. had only seen the worst parts of the town inhabited by "the large proportion of low Irish population."

This propensity for defending an existing order of things, however bad they may be, has many parallels in English affairs. It usually comes from nothing more than a conflict between vested interests and progress. In few cases downright narrowness of thought and prejudice may be discerned; but only a few. The great cause is the vested interests of the slum landlord, the breweries, the slum pawnbroker, the slum tradesmen, and with them it is identified with a heap of commercial immorality.

Notwithstanding the horrible condition of things in Leeds in 1865, the city retained its Liberal representation for a further period of twenty-four years. It slowly and grudgingly admitted the force of the collective idea contained in the Municipality. For the most part, the policy of the Council was in the direction of discrediting its possibilities as a public body for the common weal. The death rate came down point by point as the years advanced. It seemed as if a little light was, with that factor, breaking upon the social darkness of the city. But it was no less than what other Municipalities were passing through. It was a simple indication of the growth in England of co-operation in communities. The old negligent individualism that had been so passionately proclaimed in earlier years, the individualism that to-day has resulted in the Rockefeller and Harriman types, began to give way before the slow unfolding of a social conscience. The progress was funereal but certain.

Towards 1890, a new force that had been developing through dark years, suddenly made itself felt in Leeds. The Municipal Gas Workers rose in revolt against the system in vogue of working twelve hour shifts, and actually won the day for a reduction to eight hours. The Council locked them out at first, but the public could not get on without gas and sided with the workers. That was a beginning of a series of blows to the openly organised opposition to municipal reform that had been imposed so long by the members of the Council themselves. The workers who had up to this time looked to the existing political parties for reformation suddenly entered into public life, as a keen, alert and agitated body. The oft repeated promises of Liberals and Tories were flung aside. Labour became class conscious.

What was going on in Leeds was common to every other industrial centre in Britain. The dominant belief of the movement was that private individuals and companies necessarily contracted for the public services to make profits out of the community, whilst the Municipality could trade in trams, water, gas, sanitation, etc., for efficiency and the public benefit.

It was just at this time when Labour was making itself felt in British municipal life, Leeds had to consider the tramway system in vogue. The Liberals were for giving the private company that controlled them a further lease of life. The Labour party, however, brought pressure to bear on the authorities, and a public meeting was called to elicit public feeling. The consequence was Leeds took the trams in hand herself. It was the best thing the city had done for years. To-day the tramways are one of the best equipped systems in England, a considerable improvement has been effected in the wages and condition for employees to what existed under private ownership, and the profits from the undertaking amount to £34,000 a year. As the whole of this money goes in relief of rates, the actual saving to the city is £108,000 per year.

It is necessary here to point out that whatever may have been the policy of Liberals in places like Leeds, the assumption that this is characteristic of the modern Liberal spirit by no means follows. The record of the Mid-Victorian Liberals in the matter of social betterment for the people is much on a par with that of the Tories (or Unionists as they are called to-day). It was the failure of both to remedy the extraordinary conditions under which the industrial population lived and worked that produced the Labour party. To-day, therefore, the Labour
party is essentially a progressive and independent force in British municipal life.

I do not want to reproduce here merely a journalist's description of what may be seen night or day in those miles of crowded houses that make up so much of the city. The actual facts presented by the Municipal Medical Health Officer, Dr. Cameron, are much more important and to the point. He and his assistants have, in recent years, conducted a thorough and careful investigation, and carried out certain milk experiments in crowded districts with regard to infant mortality, which is very heavy in parts of the city.

The ordinary death-rate per thousand is 16.0. In South-East Leeds, one of the main sub-divisions of the city, the rate of infant mortality is 187.9. In one of the very crowded areas of this district more than half the children die in infancy. Compared with these rates, it is interesting to note the rates for Great Britain and Wales (138), New South Wales (93), and New Zealand (73). The above figures are taken from the vital statistics for 1906.

In 1903, some progressive people in Leeds laid a proposal before the Sanitary Committee of the Municipality for the establishment of a depot for the supply of sterilised milk. The idea was to feed a number of mothers and infants in a poor district and obtain a comparison with results in the same district where the ordinary commercial milk was consumed. The Council, however, regarded the proposal as a menace to private interests and the investigation had to be carried out by public subscription.

The results were very striking. In the district where ordinary milk was consumed the circumstances of 1291 mothers were investigated. They had had born to them 5483 children. At the time of inquiry it was found that no fewer than 2933 had died. "In this district of Leeds," says the M.H.O., "in families which should be increasing the women still of the child-bearing age had actually already lost more than 53 per cent of their offspring." That poverty, hunger and diet, overcrowding and alcoholism, ignorance and superstition, are amongst the potent causes of infantile mortality, is the opinion of Dr. Cameron. The extraordinary ignorance prevailing amongst these people is indicated by the prevalent superstition that the woman who has already lost half the children born to her is alone competent to advise the young mother as to the care of her offspring.

The children in the same district who were fed on depot milk did much better. Whilst it was found that the death rate amongst the infants who were fed on milk drawn from the ordinary supply was 225.3, that for the depot children was 153.3. The difference between the figures speaks volumes for the necessity of an absolutely uncontaminated milk supply in any modern town or city life.

Any investigation of the conditions inside the homes of the great majority of families in Leeds must reveal a sorry state of things. The ignorance in regard to the mode of feeding infants is frightful. Instead of the child receiving its proper natural food, for specified reasons it is fed with bread, with shop milk, and various patent foods. When the mother goes out to work, as she frequently does, the baby, if it is not left under the care of an elder child, is handed over to some old woman, who, for a few pence a day, looks after the children of absent parents. The baby, in consequence, is subjected during the daytime to artificial feeding. The nature of the food too often induces gastric disturbance in the child, to relieve which the nurse resorts to patent soothing syrups, infants' preservatives and other dangerous substances. Look at this fact: Of all the children born in the second quarter of 1905, more than half were found to be taking some medicament unordered by a medical man. For all this appalling ignorance one can hardly blame the people. Houses terribly defective and dirty, and sweated wages, associated as they have been from the earliest days of the industrial revolution in England, are sufficient to keep these people down in the depths of their uneducated lives. A few may get away, but the majority remain. And it is that majority that is the problem partly produced and accentuated to a large degree by the economic and social conditions in which they are born, bred, and exist.

Because of the tardiness of the authorities to-day in dealing with the legacies of the past, Leeds is backward in its housing and industrial conditions. Rows and rows of "back-to-baek" houses are a common feature. Vested interests are strong enough to make the city a peculiar offender in still allowing this highly insanitary type of house to be built, although the M.H.O. has been condemning the practice for years. Amongst, and part of, these desperate housing conditions, are numerous small factories or workshops, wherein "Home workers" are engaged. It is with the latter "sweating" is rife, and unfortunately they are seldom, if at all, subject to legalised factory inspection.

The bulk of the 2378 registered workshops in Leeds belong to the "domestic" variety, where a man and his family work independent of his neighbours. It is a curious survival of the out-of-date that nearly the whole of the bread, cakes, etc., in the city are made by these private families. Numbers of the places are underground, and though subject to inspection, the conditions under which one of the staple foods of the community is produced are far from appetising. After seeing several, one begins to look askance at the bread that appears on the hotel table at meal time. It is patent that such a minute division of labour in the production of a public necessity not only complicates the problem of distribution, but is economically bad and expensive. The majority of these home bakers undergo a hard struggle for existence.

The ready-made clothing (also sack making) is one of the worst of the "sweated" industries of Leeds. In the
factories themselves, where a large number of young girls are employed, for what to colonials appear excessively long hours, the rate of wages is very low. Long hours in a close atmosphere, incessant whirring of machines, and grinding monotony of occupation under the piecework-system, have a deadening effect upon girls. It is very apparent in the pale faces and the mechanical and sometimes dispirited manner in which the work is turned out. Little wonder can be felt that after working hours so many seek change and excitement often by methods that can only be deplored.

The best and most up-to-date of the large factories usually employ several thousand hands, and have as many as 1900 sewing machines at work in one building of three floors. The machines are driven off shafting, and as one passes from floor to floor there is a powerful picture forced upon the mind of hundreds of female faces fixed intently on the invisible needle and working like the devil. Everybody is paid by the piece. It is certainly one of the better sides to the industry in Leeds. The workers do get on the whole tolerable light and atmosphere, proper conveniences, and on the ground floor the girls have a large dining-room and a cook at their disposal. Three cups of tea for a penny is not a bad record of one big firm's consideration towards its employees. But when one goes into the question of wages and working hours, these advantages do not seem to count for much.

It is the practice of most of the big firms to put out quantities of material to be made up in the homes of the outworkers. The rate of wage paid is miserably inadequate for the decent welfare of body and soul, even supposing the workers knew how to spend it to the best advantage. Unfortunately they do not. Many are from one cause or another industrial, physical and social wrecks, and it is well known that they have to work excessively long hours. The application of the provisions of a Factory and Work-shop Act to these thousands of homes is hardly practicable, and where inspection is at all lax, the Act is virtually a dead letter. Factory inspection in Leeds, as elsewhere, is very inefficient compared with Australasian standards.

The worst feature is that children have to take a hand. There are thousands of children who are known as half-timers, that is to say, children from the age of 12, are permitted to work half-a-day's working hours and spend the remainder in schools. Many of the children of the outworkers of Leeds are "half-timers." and what with defective housing, poor food, and the strain of enforced occupation from daylight to dark, it is little wonder that Leeds contains a heavy proportion of unhealthy and degenerate workers.

Many instances could be given and multiplied showing the terrible results amongst man, woman and child, produced under the conditions related. England to-day is being flooded with literature on the subject. It all points to the great blunder of nineteenth century industrial development—the blunder of individualism. It was no doubt a requisite condition before society could arrive at something better. The liberty of the subject—the watchword of early Victorian politicians and individualists—far from bringing freedom at all, only resolved itself into a privilege of commercial kings to keep down their armies of workers. Nobody was individually to blame except where downright slavery prevailed. It was a great social and industrial experiment, out of which has sprung the increasing perception of and movement towards the collective ideal.

Such is the record of Leeds, with many of its characteristic indications of English industrial life. Throughout its miles of crowded, congested streets, along the banks of that horrible, black stream, the River Aire, winding amongst some of the most sultry parts in one city, those frightful problems of our latterday civilisation stare at one naked and unashamed. What more potent example could be offered to colonial cities and towns, expanding with rapidity, and development, of the dangers awaiting communities that fail to recognise the imperative duties and the tremendous force for progress in the future contained today in each and every municipality?

Chapter V.

The Message from Bradford.—Social Problems and Industry.—Municipal Enterprise in Evolution.—the Busy Black Worstedopolis.

The long street dips into the valley where the city is gathered in the twilight blurred and faint beneath the smoke. The western skies gleam with infinite tenderness and soar above to the first few stars that slip shyly into the dusk. Tall, slender shafts, looming up from the valley, soften with pinnacle and spire into shadowland. The
night descends into dreamy splendour and all the world grows dark and still.

But the street is full of murmurs—the city awakes to the turmoil of the Saturday night. Electric moons flash and shiver with uncertain fire a moment ere they burst into the full blood of brilliance. The streets burn with exultant glitter from end to end and over pavement and roadway, busy throngs of people swarm. Penny squeakers and hoarse, gruff voices strike a dominant note of discord over the harmony of endless feet pattering softly on the cobbles. The markets are filled to overflowing and from street to street of the historic city of Bradford, through all the highways of the "Worstedopolis of the globe," the crowd stream, bright faced, eager and strenuous. The city is ablaze with light and laughter. These full-throated, hearty people of the North know well how to laugh; mirth, shrill and deep, rollicks through the street. But with the buoyant spirit, the gay dresses, comes a contrast that makes one pause—the contrast of grey figures in shawls gliding by in the shadows, knots of labourers drunken and dirty on the street corner where the glasses clink, and everywhere husky, ragged imps, speaking for a generation of the great unwashed. None the less there is a certain sturdy spirit, a marked individuality about these big burly Bradford men. There is frightful dirt, congestion and often disease amongst the people; there are the elements associated with human strife and sweat for existence in the life of a big manufacturing centre; but there are, too, the character and resoluteness stamped in many a face that has kept Bradford with one hand on the fleece and the other on the world.

The city proper is crowded into a valley reaching out on all sides to steep slopes that have gradually been built on as the residential areas spread. The modern conception of laying out a city to secure broad and convenient arteries for its traffic, air spaces, lighting and picturesque effect, had not been evolved when Bradford was expanding under its industrial impulse. The extension and laying out of streets was a matter entirely for private enterprise. There was no adequate supervision of plans, no scheme that had regard for the whole city. Building by-laws were, for all intents and purposes, a dead letter. The consequence was an extraordinary maze of dirty narrow streets straggling outwards, crowded on all sides with the maximum of building by individual landlords. Factories of all description were wedged in amongst the residential areas and with them came innumerable tall shafts plumed with smoke, so that to-day there is hardly an acre in the whole city where industry does not reign.

"By-Law Road."

The effect of a cast-iron system of by-laws. A road one chain wide, with forty houses to the acre

[See Chapter IX.

One might come and go thus through all the striking array Bradford offers, from slum and dreary areas of workers, homes to factories, from black public edifices to the suburban freshness on the hills, and without having regard to its antecedents, speak of it as many do—"a dreadful place."

The impression is as superficial as it is misleading. Bradford, in fact, is the most progressive Municipality in England. It has done more and fought hard for that progress, the genesis of which it was so intimately associated with. It had much the same legacy in horrible overcrowded areas, narrow streets and vested interests left to it as was the case with Leeds. Its early records of death, disease, pauperism and public indifference to the welfare of the masses were just as potent. Its early public services were mostly in the hands of private companies, whose first consideration was necessarily profit-making. The Tecord of child labour in its mills and those in the immediate vicinity, the story of its pre-legislative days in the matter of excessively long hours of workers, of poorly paid wages, and revolting conditions of labour were all much the record of industrial England ere Parliament became bold enough to interfere and override, step by step, the uncontrolled power of the individual to exploit the mass.

The industrial people of Bradford, as a class, were too restless and keen a body to submit to the conditions under which they came to work and exist, notwithstanding that many of them were necessarily oblivious to anything better. They emphasised in their lives that resolution, energy and independence for which Yorkshire people are noted. Nowhere did the opposition to the introduction of machinery in early days take a more violent form than in Bradford, was those inherited characteristics of [unclear: are] people which were responsible for such insubordination, that in turn brought about the movement for municipal and industrial reform—the
movement that resulted in Bradford securing a magnificent water supply, efficient sewerage, municipally owned markets, a remarkable revenue producing electric tramway service, complete with a parcels delivery department, its own electric lighting and service of power for industrial purposes, a splendid system of public baths and washhouses, the opening of parks, art galleries, free libraries, a complete technical college, efficient public schools, the feeding of and the medical inspection of children, a municipal police, the destruction of overcrowded areas, the widening of its main throughfares, the creation of a municipal milk depot and other things making for public welfare and industrial efficiency. The story of all this development and expansion of the collective possibilities of the community is fraught with strife, bitterness, greed, enthusiasm, sacrifice and determination. It is one of the most instructive things in grappling with social problems to realise how reform, at any period, has been obstructed and held back by a certain section of the people. The reason is that reform is invariably ahead of the time, and it has to gather such strength in its adversity that it will not only sweep away opposition, but secure its hold strong enough to be proof against reaction. This has been Bradford's experience.

The feeding of the school children by the Municipality received the authority of Parliament in 1906. Bradford availed itself with alacrity of the provisions of the new act under which the cost of feeding can be recovered from the parents, or, with the permission of the Board of Education, borne by the local authority up to a rate of ½d in the £ (annual value). In England, the under-feeding of children is not a local or temporary evil to be met by spasmodic efforts of public or private charity. It is one of those frightful evils that are directly traceable to the economic and social conditions under which the parents exist. It threatens the stamina of the whole race. In London alone, up to December last, when the L.C.C. decided to undertake the feeding of children, there were 120,000 little folks went to school every day without breakfast and were underfed. This melancholy fact was the rule and not the exception for all the populous centres in England. In Bradford, the question had been a burning one for years. The Cinderella Club, associated with the names of Robert Blatchford and Margaret McMillan, had been feeding and clothing the children in the slums for several winters, and their efforts woke Bradford up to the tragedy of child-life in its midst. The meetings were thronged by authors, philanthropists, politicians, parsons, teachers, soap-box orators and the movement spread through all classes. The result was that Bradford began with 808 children and now something like 2000 are being fed. The food is distributed from a central kitchen to thirteen dining halls in the poorer parts of the city. Reports show that there are 6000 children in Bradford underfed, so the work of the Educational Committee goes on steadily increasing. The Council has already exceeded the limit of expenditure imposed by Parliament. On asking one of the City Councillors what would happen when the Government Auditor came along, he put it to me this way: "Well, the auditor will send in his report and a demand will be made upon the Councillors personally to refund the illegal expenditure. The Councillors will all naturally refuse to pay. Then there will be reams and reams of correspondence with the Local Government Board lasting for six months, after which we will probably get our own way. The matter will come under the notice of Parliament, and Parliament will be forced to extend its niggardly restrictions. That is the history of most Municipal reforms in England."

It was a remarkable sight to see hundreds of children line up to the tables in one of the large dining halls for the mid-day meal. They get two courses—usually a stew with vegetables and a plain pudding. The teachers of the different schools take it in turn each week to control the serving of the meals and the children themselves undertake the waiting. I made a note of several children, who devoured two full soup plates of stew and then repeated the process with pudding. "That is their first meal to-day," said the superintendent. "These children," he added, indicating a group of pale unhealthy-looking mites, "have just been in a week, those over there have been fed for six weeks." The contrast in appearance between the two groups spoke volumes.

The results of the feeding of school children were very carefully noted by the Medical Officer of Health. The cost of the meals worked out at 1½ d per head. The most remarkable effect noted was that for the first three or four days the majority of the children showed no appetite. The reason for this was that they had from the moment of birth been systematically underfed, and the experience of an appetite was almost unknown. It did not take long, however, for Nature to assert herself. The children were soon eating prodigiously. It was found that each child on an average increased forty-nine ounces in weight every week, whilst the average gain of the ordinary home fed child was only twenty ounces. An interesting fact adduced was that during a fortnight's holiday, when the school children received no meals, they lost on an average 1lb, thus showing immediately the Municipality ceased its

"Town Planning Road."

The road itself is about forty-five feet wide,
instead of being made out to the full width, thus obviating unnecessary expense in estate development. Note the distance the houses are set back from the frontage and the tree-planted avenue.

work the children reverted back to the old condition of semi-starvation.
"We hardly know the children," said one of the Infant Mistresses. "They have put on flesh and filled out, whilst the effect on the child's intelligence is indisputable. Summer and winter we used to have children falling off their seats, fainting for the want of food. It was just heart-breaking to try and teach them. The most backward children were invariably those that were underfed." All through Bradford, so far as it is possible for a visitor to discover, there is a remarkable optimism prevailing in regard to the children. The doctrine that feeding would undermine parental responsibility received a rude shock when the Educational Committee showed that it had had scores of letters from parents expressing the utmost gratitude for what has been done, and readily giving payment for the meals supplied. "The question has a much deeper aspect than is commonly realised," said one of the officials in charge. "Nine-tenths of the people do not know how to feed their children. They have not got the means of knowing. When the father and the mother work in the mills, as is usually the case, what hope is there for the child? It therefore devolves upon the Municipality to undertake the work, and with the help of medical science and the specialised knowledge of foods that exist to-day, the Municipality can do it better, cheaper, cleaner and altogether more efficiently than the parents. This feeding of the school children is one of the greatest hopes we have for breaking into the darkness and misery that surround so many of the homes in this city."

Those were the thoughts I found common to the progressive minds in Bradford, and to those who have been down amongst the slums and seen the widespread horror eating its way into the heart of the race, the feeding of the children seems to be the keynote to a great truth, and to those possibilities of the future that have hovered over the dawn of each century of time.

The educational work in Bradford is full of life and vigour. Attached to one of the largest schools in Bradford is a cottage home completely furnished throughout with bedroom, sitting-room, dining-room, kitchen, laundry, etc. Every month squads of girls are taken from the school and educated there in all the duties that belong to the household. The syllabus secures the highest domestic efficiency with the greatest economy. The mistress put the need of such an institution in an anecdote: "I once had a party of thirteen girls enter here direct from their homes. Their first examination question was, "If you had 11d to get father a Sunday dinner, what would you give him? Two of the girls replied 'roast pork,' and the remainder 'fish and chips.' That is, I have found often, the limit of culinary knowledge in hundreds of homes."

Another interesting branch of Bradford's enterprise is the Municipal Milk Depot. Notwithstanding the inspection of the milk supplied by private vendors and other machinery to ensue purity of supply, commercial competition is such as to defeat these ends. A section of the Council was anxious to try the effect of a supply of absolutely pure and humanised milk upon the infants in pauper districts. The experiment was much on the same lines as that described at Leeds. To get pure milk, the borough had to secure its own farm and dairy herds, the reason being that there is virtually no Statt veterinary inspection of cows in England from which the public milk is drawn.

The milk secured from the farm is divided as follows:—Humanising for consumption by infants up to nine months of age, the feeding of the school children, and the fever hospitals. Some 145 gallons of sterilised milk are, in addition, sold in the city by agents for public consumption every week, and it is supplied in air-tight glass bottles to secure it against contamination. The demand for Municipal milk increase; every year. The Health Committee, who control the Depot are, however, restricted by the Council in so far that anything in the nature of competition with private enterprise is not approved. But the thought that was taking shape through Bradford favoured the progress of the Municipal supply.

In course of conversation with Mr. Arthur Priestman, chairman of the Bradford Labour party, and owner of one of the large textile mills in Bradford, I gathered that the supply of milk to the people was held to be as vital a part of the Municipal work as water supply. "Everyone knows," he said, "how necessary it is to have an absolutely pure water supply. The history of epidemics only too painfully illustrates that. It is being realised
now that indisputable as this necessity is in regard to water, it is even more important when it applies to milk. Milk is much more liable to infection than water. When the water supplies in England were in private hands, they were frequently more or less contaminated. It was only when the Municipality asserted its right to control its own services that we got pure water. The same thing applies to milk. Commercial competition and individual control do not permit of a guarantee of pure supply. These views have wide currency in the city. Doctors, merchants, manufacturers, and the various public men one meets in a tour of investigation were ardently possessed with the same train of thought. When Bradford starts thinking, it is not long before something is done. That seems to be a characteristic of these big, bluff and intensely individualistic Yorkshire men.

A Municipal Tramways Parcel Delivery Department is one of Bradford's most successful ventures. It is impossible in a brief space to deal with the various aspects that such an innovation opens up, but the fact remains Bradford has utilised its street car service to inaugurate a system of collection and delivery of parcels on a scale eclipsing any previous private venture. The parcels are carried on the platform of the car on which the driver stands. There is a complete system of depots for the collection and receiving. The Department is a model of organisation and efficiency. There was a capital expenditure at the inauguration of about £1,600. The first year's balance-sheet showed a net profit of £520, the second year £970, and the third year (March 31st, 1908) £1,500. The charge to the public for carrying a 28lb. parcel and delivering same within half-a-mile of any tramway route or terminus works out 1½d. per parcel. There is no delay to the service, and during the quiet parts of the day the cans are enabled to increase the receipts per car mile.

There are many other aspects of the busy textile centre that offer absorbing topics. It offers cases of individual employers in the great woollen industry who have, by example, sought to show that a modern factory should not be a dirty, over-crowded mass of men, women, children, and machines, struggling ten to twelve hours a day in a hot, steamy atmosphere, for comparatively poor wages. The Municipality cannot deal with the factories. But its labours are concerned with the lives and surroundings of the 58,000 people who make up Bradford textile workers. It is the frightful domestic conditions under which the majority of these people exist and have existed for years that is the real stimulus to the Municipal activities of Bradford. It is towards raising: the moral and intellectual standard of these armies of ill-paid, ill-clad, underfed men, women, and children; towards the elimination of piles of crowded roofs, the dreary vista of narrow brick-walled streets, the smoke, the dirty, and the all-pervading misery that those activities are directed. Whilst Leeds has been tardy in accepting the reforms of the last fifty years in England, Bradford has gone to work to unearth causes, to effect cures, and make, if possible, the prevention of evils certain. Unto those ends, its enlightened men inspired by humanitarian ideals are working to-day.

Chapter VI.

The Textile Family.—a Revelation of Cheap Labour.—Man, Woman and Child.—on the Hill and in the Valley.

Although Bradford employs some 58,791 workers in its textile trade, it is only the centre of a vast manufacturing area. It is surrounded by a cordon of towns and villages, and beyond these again lie fiercely busy communities like Huddersfield, Dewsbury, Keighley, and Halifax. The field of production, covered by the single word textile, embraces a very wide aggregation of specialised labour, from wool-sorting and weaving, down to the multifarious offices that appertain to dyeing and finishing. The ramifications of the woollen industry, in fact, present a bewildering aggregation of skilled trades, that in the aggregate represent the livelihood of hundreds of thousands of the great and historic industry in which Bradford leads. Although Leeds is the commercial capital of Yorkshire, Bradford stands apart in its manufacturing and merchant preeminence.

Over these hills of Southern Yorkshire has risen a wonderful romance of industry, materialised in miles of factories and long, lank chimney shafts, in a fabulous quantity of machines embodying the wonders of inventive genius, and an accumulation of working-class communities that holds one spell-bound. It all represents a vast and phenomenal growth—a growth of men and machines, of towns and cities, of wealth and poverty, of frightful disorder, congestion, and slums. Its turning point seems to be the beginning of the
twenty-first century. The spasmodic efforts of reformers, revolutionaries, doctors, divines, poets, politicians, scientists, and others that came with the closing decades of the nineteenth, have taken definite shape in leagues, associations, and other collective bodies for the amelioration of the lot of the worker, his wife, and his children. What industrial growth alone to Bradford represented is shown by the following statistics of population:—

When England deserted agriculture to become an industrial country, it necessarily meant that hundreds of thousands left the land for the towns and cities. The heavy increases in population did not carry with them an expansion of residential areas, but resolved itself into downright overcrowding. The problem was accentuated by the fact that the agricultural people carried with them habits of personal uncleanness that in the, congested atmosphere of town and city were productive of appalling results. The unrestricted operations of speculative builders, landlords, and agents who leased and sublet whole areas, precipitated the social disaster that followed. There were also other elements in the food supply and habits of the people that had their share. The workers were equally obliged by the conditions of industry to work long hours for poor wages. Thus it was that hundreds of thousands of people were crushed by a combination of social and economic conditions which only the few who had the ability and individual force of character overcame. To-day, that in a few sentences, is the problem of the armies of textile workers in Southern Yorkshire, as much as it is the problem of any other British industrial area.

The conditions of labour which surround the textile industries are some of the hardest that, outside of the sweated trades, exist in England. The effect is to be noted in innumerable ways, the pallor of the faces, neglect of personal appearance, a certain dispirited air, and mental apathy that is in part the outcome of sheer physical fatigue. In both Yorkshire and Lancashire there are some people who take a pride in the "hard working lads and lassies." To an outside observer, it is a sorry pride for all the physical unfitness it entails. When trade is good, the woollen and the cotton mills hardly ever cease, night or day, from 6 a.m. on the Monday morning till the Saturday mid-day. The average working hours are 55½ hours a week. It being illegal, since 1901, to employ women and children during the night, they form practically the whole of the day shift, working from 6 a.m. to 5.15 p.m., with half an hour's interval for breakfast, and three-quarters of an hour for lunch. The night shift starts at 5.15 p.m. and ceases at 6 a.m. These conditions are strenuous enough, but there are other things that tend to make them harder. Wool will work faster in a hot moist atmosphere, and since speed in production is one of the requirements of modern industry, the factories are kept up to a fairly high temperature, that increases as the end of the week approaches. Evidence given before the Bradford Trades Hall showed that in the combing and drying processes, the temperature of the rooms rises from 100 deg. to 120 deg. Fahrenheit. That there has been some improvement in the heavy hours of labour is shown by the fact that in 1850 the hours of women workers in textile factories were limited to sixty hours per week, to which unrestricted overtime was allowed. But against the gradual curtailment in this direction, the speed of machinery has increased, so that for the 55½ hours per week to-day the worker's labours are carried on at a much greater pace. There is also the additional factor that he is allowed to work overtime, which he often does. In Bradford it is not an infrequent thing for a man starting on the Friday night at 6.15 p.m. to go on working till the Saturday 1 o'clock. Unfortunately, factory inspection in England is such as to be hopelessly inadequate to check such evils.

In order to grasp what these things entail to the individual, I took the trouble in Bradford to inquire into the history of several families of textile workers. Here is an average case. The father is an unskilled casual worker engaged at night on wool-combing. His wages average 15/- per week. His wife is a spinner earning 12/- per week. They married at the ages of 23 and 20 respectively. When the first child came, the mother, who had worked in the mills almost up to the day of its birth, was incapacitated for three weeks or a month. The maintenance of the family during the time was dependent on the earnings of the husband. Trade being good, the mother returned to her occupation, and the child was given over to a nurse—an elderly female pauper—upon whom the child was dependent for training. When the second child came, however, trade was bad, and the mother remained unemployed for over two months, whilst her husband was working short time, and out of work for over a week one time. It was under these conditions that additions to the family began to arrive at regular intervals. With the increase of children, the duties of the mother could not any longer be relegated to a third party. The woman therefore gave up her work as a spinner and endeavoured to meet the serious deficiency in the family income by doing charing, washing, or other domestic labours that were usually rewarded with poor rates of pay. For a period of eight to ten years life for the husband and wife was a continuous struggle. When the first child attained the age of twelve, he was permitted by law to enter the mills and work half a day (6 a.m. to 12.30 p.m.). The remainder of the day he devoted to schooling. The increase in the family income by his labours was 3/- to 3/9 per week. The boy left school at fourteen, and for four years after that earned 8/- a week as a spinner. In the meantime the other children grew up and became eligible for employment. Thus an increasing increment was brought to the family income. There had been six children, but two had died in their first year—infant mortality being invariably heavy with this class of people. The family income had grown to £3 to £3 5/- per week, but it varied with trade, and did not last long. The eldest boy, when he reached eighteen,
was turned off at the mill, his duties being supplanted by a younger child. During the whole of his labour in the mills he had only learnt to do one operation at the spinning frame. He had therefore to depend for his maintenance on unskilled casual labour. By the time the youngest—a girl—had reached twenty-one, the whole family had married and settled into domestic surroundings of their own, and were undertaking the responsibilities of life under almost identically the same conditions as their parents. The father, who had been steady and industrious, as unskilled labourers go, died at forty-five from pneumonia. The mother had to be supported by the family, and was ardently awaiting the arrival of the old-age pension. Thus it can be seen that the process which determines the existence of a textile family engenders sufficient domestic and intellectual privations as to make it hopeless for the average individual to get away from them. Heredity and environment hold them down, while other elements make for their demoralisation.

The half-timer—the child who works half a day in a mill and spends the rest in school—is a survival of early Victorian days, when juveniles from five years of age and women were harnessed to the untiring machines, and had to toil from fourteen to eighteen hours it an atmosphere poisoned with dust and bad air. The age at which a child could be employed was gradually raised till 1901, the limit went up from eleven to twelve. To-day the testimony of teachers, and sociological students, is all against the system. The whole question is whether the manufacturer in the face of international competition and hostile tariffs is to be allowed to use the child for the purpose of cheap production. The opinion of the employers is reflected in a discussion by the Yorkshire section of the British Association of Managers of Textile Works on November 14th, 1907. A summary of the discussion was given in pamphlet form in an official publication by the association. The document is marked "strictly confidential. "The following extracts are of interest:—

"It was agreed that the conditions prevailing in most factories were superior to the conditions prevailing in the school ... In schools the class-rooms were notoriously crowded, and possibly unhealthy, thus largely accounting for the drowsiness on the part of the half-timers complained of by the school -teachers. Opinion was divided as to the effect upon the children having to be at the mill by 6.30 a.m., although the "Early to bed and early to rise" advocates were very staunch as to its having no injurious effect.

"The opinion was fully expressed that as a whole half-timers were quite equal to the full-timers in educational attainments, some of the members contending that they were brighter and possessed of more 'true knowledge.' ... "The question of the moral training of the half-timer was very seriously discussed, and the difficulty freely recognised. It was contended, however, with much reason, that the sources of contamination were outside the mill, and the truth was that the mill overlookers were not responsible for much prevailing depravity. Nevertheless, it was considered that better example and control might be exercised.

"The economy of half-time labour was mentioned, but it was contended that this, to individual firms, was of little practical advantage."

The last statement provokes one to the inquiry that if it is no advantage to individual firms to get the benefit of a child's labour between the ages of twelve and eighteen for 3/- to 3/9 per week, why is the abolition of the halftimer so strenuously opposed by the manufacturers? The managers make out a very poor case, and their statements are sufficiently obvious to require no answer here. This subjection of undeveloped and immature children to industrial needs, without any regard for their future welfare and moral and intellectual betterment is one of the most sordid features of English life. It has been going on for years, and it is not too much to say it is one of the tragedies of our civilisation. The relation of the subject to colonial inquirers is only to show that it is one of the component parts of the great industrial system of Europe and America which offers so many potent and tragic examples to younger countries that are, in turn, seeking to develop their resources.

There is another side to the picture in Bradford, and one which shows that despite all the economic considerations governing international industry to-day, despite the existence of hostile tariffs, and relentless competition for the world's markets, a woollen mill can be a factor for the production of national wealth without neglecting to secure to its thousands of workers the conditions requisite to bodily health and mental and social weal-being. High up on the hills above Bradford, away from the congestion and the smoke of the city, Messrs. John Foster and Son's Black Dike Mills cover a floor area exceeding fifteen acres, and employ 2,000 workpeople. The business was founded in 1819, and it has since grown into a large concern conducted for the production of the highest class of goods. Attached to the works is an estate of 1,200 acres, and the Borough of Queensborough, with a population of 6,000, of whom half are dependent directly on the mills. The majority of the workers' homes are built and let by the firm at nominal rents, after the manner of other model industrial communities in England. The firm have provided a very fine building for the use of their workpeople. It contains a large concert hall, theatre, library, billiard-room, lecture and technical instruction classes, swimming baths for men and women, kitchen for instruction of cookery, steam laundry, etc. There is a rifle range and recreation grounds on the estate, whilst amongst the various organisations amongst the workpeople for the promotion of social intercourse and intellectual betterment, is the Black Dike Mills Band, which has since 1856 won 154 first prizes, 62 seconds, and other distinctions.
Queensborough, in fact, is a model community. Its splendid mills are considered to be one of the finest properties in the district, whilst its thousands of workers labour and live in an environment that insures health and the highest industrial efficiency. In all departments of the factory there is light and air. The workrooms are white-washed, clean, well lighted and ventilated. The workmen are above the average in appearance and health. Where in most mills one finds a certain dull, hopeless look from many of the workers, there seems to be at Queensborough only alertness and vitality. In all these things is the demonstration that where reasonable hours of labour are imposed, combined with healthy conditions, the employer gets a higher rate of production and a better quality of work. This was the testimony of Major Foster himself, the managing director of the whole concern.

The cottage homes of the workers, each with a plot of ground and garden where sturdy youngsters romped, fitted in aptly to the radiant hills and vales that surround them. Amid this industrious environment, where hundreds of machines whirled daily, and the clanging looms were never still, the landscape beauty remained. It was the realisation of Nature and industry moving in harmony to the needs of man and his works.

But here is the contrast that speaks so bitterly for the mass in Bradford and all its adjacent black, dingy, throbbing centres. In the quarterly report of the Chief Woman Inspector, dated March 31st, 1908. the following appears: "A one-bedroomed house was occupied by a married couple and a woman lodger, besides the tenant, wife and child. "One house, on being inspected, presented a wretched appearance. The grate was choked with ashes. ... A small table and two dilapidated chairs constituted the furniture. From upstairs came the sounds of an infant wailing; otherwise, but for a puppy dog, there were no signs of life. After a time the grandmother was discovered preparing the infant's food in a neighbour's house, this preparation consisting of bread and water only, the family being so poor they could not provide milk. "In one case the mother, daughter, illegitimate infant, and two young men appeared to be occupying one bed, the condition of which was deplorable; ticks, mattresses, coverings, were all black with grease and dirt. The baby lay on this bedding during the day, covered by the flock bed itself. "One infant suffering from indigestion was being dosed with gin and water by its mother, who, fearing discovery, hurriedly thrust the tin cup containing the mixture into the oven. The doctor had ordered the mother to wean the child, and as she was very poor, a neighbour kindly offered her a long tubed bottle. This was in an unwashed, filthy condition, just as it had been left when the friend's child had last used it during an attack of diphtheria." "There were two small children in the home, the younger being just under one year of age, the elder two years old. The infant, in physique and weight was about equal to the average child of three months. Although noon at the time of visiting, it had not been washed or dressed, and lay on the bed uncoved, with nothing on but a small dirty chemise. It was screaming violently, and by its side lay the long tubed bottle from which it had been feeding. On examining this the contents could not be seen for the thick coating of curd on the inside of the glass; the tube was almost completely choked, and the teat rotten. The whole feeding bottle was in a horrible condition, calculated to poison the child."

That is the grim staring revelation of poverty at the heart of industry itself. Is it not a tragedy for civilisation that these things should be whilst away on the hills there is only the song of labour and love in a cottage?

Chapter VII.

Cotton and Waste.—Big Black Manchester.—Relation of Housing to Industry.—the Stain on Modern Civilisation.

Lancashire is the workshop of the world. It is the apotheosis of British industry. It rises from the sea that bears its merchandise to mingle beyond the flat strip of its shoreline in hills and vales of surpassing loveliness, but Industry has run riot through the land. Every town, city and village have been enveloped by tire and steam. The land is black, blighted and dreary. Its forests are the chimney stacks and its cloudland the smoke. The petals of the red rose, that once was dyed with ancestral blood, are polluted and drooping. From all the days of its romance and wonderful folk - lore, it has come down to the twentieth century a bewildering arena of men and machines, of huddled unbeautiful cities and towns manacled by ribbons of steel, of fierce dazzling activities
that have engulfed hundreds of thousands—man, woman and child—in this process of wealth production. Nowhere is the force that concentrates it more powerful, more malevolent. It is one vast throbbing orgy of Mammon, and at the heart of it is big black Manchester.

The dominance of the commercial capital of Lancashire is one of the most telling examples of rapid growth and expansion with all their adjuncts of congestion, dirt, poverty and wealth. It is the octopus of the north. From all sides it puts out tentacles of steel to a ring of important centres comprising Widnes, Warrington, Wigan, St. Helens, Blackburn, Bolton, Bury, Rochdale, Oldham, Glossop, Gorton, Preston, and Stockport. The area of activities this vast circle represents, converging as it does on to the capital by a network of railways, tramways, canals, and motor services, is the most remarkable the world can offer. It has no parallel in industry, nothing greater than its palpitating energies galvanising the whole to the maximum of organised production. It is not alone the might of the cotton industry. It carries with it miles of iron and steel works, locomotive and rolling stock builders, chemical plants, glass factories, paper mills, piles of electrical works, of felt hats, linoleums, clothing, makers of marine engines, boilers and machinery, pumps, hydraulic and electric lifts and cranes, textile machinery, monster lathes, planes, drills, guns, and so on through the gamut of industrial enterprise. The complexity of it is like one of those wonderful Oriental Mosaics. Collectively it all focuses itself into one big scheme, the kernel of which one hundred and forty-five years ago took shape in a man's brain as he sat watching the lid of a kettle calling to the housewife to make the tea. Out of that scheme has come not only great industries, but all the social and economic problems of the age, and nowhere are they so strikingly materialised as in Manchester itself today.

Together with Salford (which to all intents and purposes is part of Manchester) the population of the metropolis is 764,829. One would naturally expect to find it concentrating in its midst to the highest degree the activities of surrounding districts, but it is not so. Manchester is the goods shed of the whole business. The city proper is made up mostly of warehouses and slums. This grim contrast of wealth and poverty is unassailable. As the city grew great works went to the outskirts, and in their place came gloomy areas of warehouses, reaching to five and six storeys in their black unembellished ugliness. The heart of the metropolis is the Infirmary, a long rambling building that seems to concentrate in its sombre walls the essence of the architectural gloom that pervades the whole city. From this central point, on to which the monster traffic of the capital converges, the areas of occupation can roughly be encompassed in a series of circles. A radius of half a mile contains, outside of the main business thoroughfares, little else but acres and acres of these black forbidding palaces of the merchants. They are pierced by narrow irregular thoroughfares where hundreds of lorries loaded with merchandise clatter by hourly over the stone cobbles. The area of the business property is in turn hemmed in by a wider circle of works and factories, on the inner fringe of which the four principal railway stations lie, together with numerous other goods and sub-stations. To a distance of one and a half miles from the central point the factory area constitutes the second circle, wedging in amid all its smoky and hopeless environment densely crowded and far reaching areas of slum properties. To traverse the circumference of this second belt, one would walk over ten miles through some of the most appalling streets in all England. Arms of railways are flung out on all sides from the stations, and wherever they pierce a narrow belt of manufacturing areas on either side go with them, reaching eventually to the outskirts of the minor centres that contribute to Manchester's commercial supremacy.

It is not until the two mile radius is reached that anything like presentable residential areas come into existence, and it is only when one approaches the suburban limits like Heaton Park on the north and Rueholme or Levenshulme in the south, encompassed in a radius from five to six miles from the centre the detached dwelling, gardens tree lined streets and other evidences of enlightenment are met with.

The effect of this vast accumulation crowding in from remote areas to a black and congested centre, is overpowering. For the stranger it carries depression until the importance of the problems it presents and the examples it offers are realised. Nature adds to its gloom by a rainfall that is far above that of London, whilst the city is frequently enveloped in thick soupy fogs. The majority of the people are indifferent to these climatic peculiarities, and, in fact, are proud of their big black metropolis. Its great attraction is that it presents an activity and bustle of life that is not any more intense in London itself. The principal streets, though comparatively spacious, are taxed to the utmost by the incessant stream of traffic. Manchester people are, by temperament, more energetic than Londoners, and they infuse into their street life a vigour that is characteristic of the whole commercial life. The dominant factor of the traffic is the electric car, which within the last decade has revolutionised the problem of transit incidental to the life of a big city. Hundreds of cars pass every hour up and down and across the main artery of traffic—Market-street. By the Exchange the pressure is as great and as busy as at the Mansion House corner itself. Blocks are frequent. Humanity, like bees, love a swarm. Life, stir, excitement and bustle are the elements that hold them spellbound to the big city. The swirl of the traffic and the din of thousands intoxicates all grades. Overflowing streers, with shops ablaze, endless faces, nose, light, laughter, movement are the eternal novelty, the delirious joy, the bewilderment and the madness of the age.
Man-Chester foctisses these things to an intense degree in its universal ambition to make dollars. It has little of the finer distractions that enrich London with art, music and historic associations, it cannot comprehend the radiance and the classic beauty of Paris. The grandeur of Berlin means nothing to it, the loveliness of Vienna is not even a dream. Commerce alone is the God of this monstrous reeking congestion that so glaringly reveals the anomaly of riches and poverty.

It is a remarkable fact that for a radius of one and a half miles from the heart of the city there are no parks or open spaces where people can get away from the sea of bricks and mortar, save one small area in Salford. Yet it is estimated that nearly a quarter of a million people exist within that radius, under the demoralising influences that appertain to the slum. The figures may give a suggestion of magnitude, but the realities of the frightful congestion and disorder that permeate the acres and acres of Manchester slums are almost beyond expression. The evils were summed up, briefly and dispassionately, by a report compiled by Mr T. R. Marr, Secretary of the Citizens' Association in 1904—a document that had a great influence in promoting subsequent reforms. "Poor physique," says the report, "impaired health and premature senility, drunkenness, sexual immorality and other vice; betting, thriftlessness, decay of family life and lack of pure spirit; these are all too common. We find, too, poverty, houses unwholesome from many causes, lack of provision of open spaces and other means for healthy recreation, narrow gloomy streets, an excessive amount of coal smoke and a superabundance of public house. As to which group of evils is cause and which effect the truth seems to be that we have a vicious circle and they are both cause and effect.''

An investigation of conditions to-day shows that out of the total population of 764,829, no less than 230,000 live in poverty and want. The density of population in several districts comprising each 500 acres is as high as 120 people per acre. In these areas there are districts between ten and twenty acres in extent where the density rises to 200 people to the acre. In such cases the death rate and infantile mortality goes up in proportion to the overcrowding. On 12.67 acres in Ancoats—a slum district—there were found recently no less than 600 dwellings in existence from six to two rooms each, and one hotel license to every 40 houses. The number of people living on each acre of the district was 203.

Amongst a host of individual examples given by Mr Marr as to how the people live under these conditions the following will suffice:—

Widow with two children rented a house of three rooms, and kept five boarders male and female. The house was back to back, old and dirty. Two slept in one room and five in another.

Coachpainter earning 30s per week, his wife and four children occupied a two roomed house. All six slept in one room 8 x 8 x 10 feet high.

Three adults and five children occupied four rooms of a damp, dirty and rat infected house. Six of them slept in one room containing 865 cubic feet of air space.

Hawker and wife with three children, one male and one female lodger—seven in all—occupied a two-roomed house. All slept in one room.

What accentuates the problem is the extensive system in existence in the slums known as "farming out" or subletting. A tenant rents from an owner one or two houses. In crowded areas they are usually the type of dwelling occupied by the business man in Manchester one hundred years ago, and con- tain from five to six rooms. Whilst the framework is usually sound the houses are generally sadly in need of repair. The tenant furnishes each room with some apology for a bedstead, possibly a table or a chair or two. The "furniture" is frequently eked out by a free use of packing cases. Each room is sublet from 5/- to 6/- per week, according to position, and sub-tenants are given the joint use of the kitchen—usually a poky little scullery. The return made by the tenant on each house (for which the rent is 6/- to 7/- per week) amounts to 15/- to 20/- per week. The class of sub-tenants as a whole are very unsatisfactory, and often include a whole family who sleep in the one room. The methods of the tenant to secure his rent are in keeping with a good deal of the practices that obtain in the overcrowding. The City Council has been endowed with a social conscience, and its affairs are as much the concern of its citizens as in any of the progressive communities to-day both in England and Germany. Its activities have not been hampered by any narrow theories as to the limitation of municipal functions. The vested interests of any particular set of individuals "have not been allowed to prevail in the endeavour to secure the rights of the community. The housing evils shown above only serve to reveal what are the almost insuperable difficulties that assail a municipality once the problem is neglected and allowed to intensify. In twenty years Manchester has either caused to be demolished or closed for human habitation nearly 9,000 dwellings. Compulsory methods taken in hand too vigorously often result in the production of
overcrowding in adjoining areas to that dealt with. The work of the Manchester City Council had regard for this probability, and by distributing their attention over the whole area of crowded districts, and not making a general clearance in any particular one, the displacement of a great number of persons in any one district was divided and the evils in part mitigated. By a special Act, the Council, acting on the advice of its Sanitary Committee, can order the destruction of a defective house, or prohibit its use for human habitation until the landlord makes such recurs or alterations that are in the opinion of the committee and the Medical Officer of Health, necessary. By closing the house up, the Council is not liable to compensate the owner. When the landlord is forced to repair a house to bring it up to the "average standard of a habitable dwelling," the cost of remedying the defective conditions falls on to the shoulders of the property owners who created them. Under the process by which some Councils clear out whole areas and build corporation dwellings, the ratepayers have to compensate individual landlords for the destruction of their property, besides paying for the cost of the land and the new building. The policy thus pursued in Manchester has been a steady effort towards the improvement and the prevention of crowded areas.

The great network of tramways which has been extended over the city in recent years has also assisted in relieving the pressure on particular areas. The question arises whether, with this factor considered, the policy of the Sanitary Committee will solve the overcrowding problem? The expert opinion I gathered in Manchester was emphatically in the negative. The income of the majority of the poorer classes does not, even with the enticement of workman's cheap fares on the electric cars, permit of it. Dr. Niven, the Medical Officer of Health, who is an authority on housing, says, "It is far better for the poorest class of persons that they should be under government in Corporation dwellings, paying a regular rent, than they should be free to live under what conditions of crowding and squalor they may choose to be able to attain." That is the keynote of expert opinion in England in regard to housing. Private enterprise will only provide for the poorer classes, who live by sweated labour in the manner shown above. The Corporation dwellings on Corporation-owned land, and the elimination of the private landlord, seems to be the only course by which the terrible consequences of overcrowding are to be avoided.

The effects of social disorder which seem to reach the maximum in Manchester are common in a proportionate degree to the ring of "little Manchesters" that surround it. Bolton, Oldham, Halifax, Preston, etc., are possessed by the same problem, the same vista of dirty, ugly streets where there is not a single tree-plantcd street or square, or a single building which is looked upon. Each one is a Manchester in embryo, and as they grow, their problems will grow with them so long as the Municipality is unable to enforce prevention instead of applying cures. They and their thousands are all subordinated to the demands of industry which have to be satisfied irrespective of individual welfare in the mass. Standing in Bolton Park one gets a characteristic impression of the environment under which Lancashire workers live. The park is an isle of green in a sea of desolation. It is surrounded by grimy blackened buildings that have nothing but naked ugliness in their composition. Hundreds of chimney stacks rise up in the immediate vicinity pouring out the inevitable trail of smoke. It is all a medley of mud and manufacture compressed with over a hundred thousand men, women and children into three square miles of desolation. For twenty miles round Manchester there is the intolerable extraordinary ugliness. At Widnes, where the chemical works abound, the whole countryside is blasted and barren. The effect of the gases has completely destroyed vegetable life in the vicinity. At Oldham one finds acres and acres of cotton mills—many of them old, dirty and poorly ventilated—and the same repulsive lines and lines of houses reaching for six miles and more into the heart of Manchester itself.

It is a remarkable car ride that from Oldham to the Infirmary in the metropolis. Beyond the squat roofs that line the roadway the cotton mills rise up on hill and mound. They work night and day as in Bradford, and the story of the workers is much the story of the textile workers that was given in the preceding chapter. The houses accumulate as the car sweeps on to the city lying in the distance blurred and faint with smoke. The few green fields that lie beyond the roofs, speedily vanish. The street becomes a vista of dirty cramped shops crushed between piles of industrial concerns. The density of building is at its maximum. Long narrow streets flash off crowded with men in shirtsleeves and women in shawls, whilst crowds of children, for the most part ragged and unwashed, play in the streets. It has been raining and the roadways lie wet and heavy beneath a sullen sky. Lines of lorries creep slowly away from the city and the evening shadows gather over the restless multitude surging through the street. A wet Saturday night has fallen in the long gloomy vista of Oldham-road. The car glides between lines of ill-lit shops. All Manchester seems to be moving over pavement and roadway. The driver's bell clangs incessantly. Lines of itinerant tradesmen with barrows packed with meat, vegetables, rabbits, fish, and uninviting sweets gather by the kerbstones. The smoke of a hundred naphtha torches climbs lazily the zenith. There are endless figures moving in all that panorama of a city's life, figures in shawls, figures with bundles that pass for babies, figures of poverty and dirt knowing only the pleasures of the night. They draggle through the falling rain like an army astray. A wall of mist creeps down the street and smudges the whole scene into a mass moving indefinitely beneath the turgid glare of the torches. Then the picture swings out.
of sight as the car takes a fresh turn and glides smoothly towards the black, drunken outline of the Infirmary itself.

In front of the iron railings that guard the building, a single row of seats stretches for nearly its whole length. Those seats hold one of the most terrible impressions that are indelibly associated with the great city. They assemble there the dregs of life, lines of men and women, filthy and ragged beyond conjecture, lost to humanity. They are the overflow of civilisation crushed in the economic process, and doomed to the pauper's grave. They speak for Manchester as much they do for London or Paris, the children of congenital defects, swamped in an ocean of toilers. It is that grim lifeless picture of the unemployable created by society and damned by mankind, that is the stain on modern civilisation.

Another Aspect of "Town Cramming."

Liverpool slum, in which 300 people live to the acre, and the water supply furnished by the owner is on the basis of one tap to forty houses.

Chapter VIII.

Life in Liverpool.—the Curse of Casual Labour.—difficulties of a Modern Seaport.

A midsummer's morn was gleaming over the broad blue estuary of the Mersey. From the eminence of an embankment towering above Toxeth Dock, a panorama of river and sky unfolded in the sunlight, meeting away in the dim faint outline of the Birkenhead shore. The river palpitated with life and activity. A forest of mast and sail, grim smoking funnels, merchantmen, tramps, tugs dragging trains of fat barges in the swirl of the tide, and great liners pointing to the clouds and the smoke, gathered in a wonderful vista. They hovered between the flood and the sunlight, crowding into where the black irregular line of the shore was pierced by endless docks, landing stages, cranes, sheds, and all the paraphernalia that make up the complexity of Liverpool's maritime splendour. In the radiance of that summer morn, one beheld the city as the gate between the old world and the new. The traffic of a nation was clattering through its throbbing thoroughfares. The fabulous productions of the black, busy centres, toiling away beyond the hills in smoke and sweat, were speeding over its network of steel to the outgoing tide. Men, women horses, fire, steam, water, electricity, were caught up in the irresistible rush of its commerce. All the elements of human endeavour, of hope, and wretchedness were swamped in the ocean of lives beating against the stones of a great city—a city floating down far from the hills and ending abruptly in lofty piles of brick and steel against the silvered edge of the river. That was Liverpool on a bright midsummer's morn, and it only wanted a few minutes to the stroke of seven.

It is strange how a point of focus in the life of a city can become so vivid as to obliterate every other element of distraction. But with the stroke of seven, summer and winter, Liverpool presents a scene that is no more remarkable, no more astonishing or suggestive of the needs of the age than any other English city. Along the two miles of its stretch of docks and quays at seventeen different points armies of labour assemble. The men come in thousands every morn of the working day. The actual number that are gathered there in expectation of work ranges daily from 20,000 to 25,000. The streets are black with them, young and old, middle-aged, mostly grizzled, hulking specimens wearing the familiar greasy scarf and cap and clothes that speak for the dirt and the squalor from which many of them have emerged. At Toxeth docks the scene partakes of all the intensity of thousands of men lined up, mute and anxious, for the labour that means bread and physical satisfaction. With the coming of the hour, the steady stream of workers that began at 6.30 thickens. The side streets literally ooze
with humanity that swarms under the elevated railways into the yards behind the gaunt stretch of sheds. The men gather into long lines at three separate stands or pools. It is like the marshalling of an army—an army of weaponless thousands in the dull drab uniform of the worker. In one corner, a crowd of idlers and the curious mingle. There are derelict specimens amongst them, watching this great economic process of supply responding to demand with a dull, hopeless stare. It seems almost a morbid curiosity on the part of the unemployable that they should assemble to see the unemployed gather there, still possessed of the hope and the determination to work.

"There won't be many taken on this morning," murmurs a policeman. "No, the usual thing, I suppose," draws his mate as they saunter up and down at the gates. Suddenly the murmur of voices dies away. Two men, one carrying a small book, emerge from the sheds, and pass each to the three groups as the clocks clang seven through the city. A late arrival or two slip hurriedly into the lines. The whole army is silent. The foremen pass down the lines. They suddenly hold up a pencil and beckon. The line breaks, and a single individual darts away into the shed. The foremen finish their tour of the lines of men. They pass back again, and call out a few more. The number that pass into the shed seem infinitesimal to the assembled multitude. The lines are once more inspected, and as the foremen pass there is a palpable eagerness in the manner of the men to catch that favoured nod which means occupation for the day. The inspection is finished. The foremen make a sign, and turn to the sheds. The three lines break up in a chorus of grunts. A burst of cynical laughter goes up into the morning. "Ow many d'ye saye; twenty out o' five 'undred," says a voice that is immediately lost in a widespread murmur. The men turned slowly away and filed out through the gates into the roadway. The quickened step and alert faces that passed into the lines was in vivid contrast to the figures that drifted aimlessly toward the city. Some merely shrugged their shoulders, others went off with set faces and hands rammed deeply into their empty pockets. One would suppose that years of this sort of thing would make these rough untutored men callous to disappointment. With their big frames, heavy hands, and slouching gait they remind one of the draught horse. They seem to share in common the dumb obedience, the blind strength of the animal. It is easy to picture them half brute, half human, credulous as children, and ruled by a coarseness of intellect that offends the finer intelligence. But the people who get into their lives, who go down to the heart of the submerged mass, say they are just as human as the best of the race. They have each their ambition, pride, fear, hate, faithfulness, kindness, hope, and love. The elements may be crude, but the difference with other men is only one of degree. It was a strange, sorry spectacle to see those thousand of men, unemployed, slouching off in groups, disappearing into narrow thoroughfares to face women and children, maybe, in that radiant summer.

The exact figures of employment at the Toxteth Dock that morning for these casual unskilled labourers were as follows:—No. 1 group, 350 stevedores, 17 taken on; No. 2 group, 250 porters, 22 taken on; No. 3 group, 400 labourers, 100 taken on. This, however, must be recalled, concerns only one out of the seventeen pools of labour from which the Mersey Docks and Harbour Board draws its daily supply of casual labour according to the demands of trade. As to what are the exact figures of the population in Liverpool that are known as dock labourers, there is nothing officially known. The Mersey Docks and Harbour Board themselves cannot say with certainty. The most reliable estimate is that given by Councillor James Sexton, of the Liverpool City Council, general secretary of the National Union of Dock Labourers, who has been recognised as an authority on the subject by the British Government. He estimates that last year there were 22,000 active dock labourers, apart from those who called themselves as such, but depended entirely on charitable relief for existence. Of this 22,000, in the business part of the year never more than 15,000 are employed at one time. The standing wage is 30s per week, but never more than 23 per cent. of the 15,000 receive that amount all the year round. Another 25 per cent. earn an average of 15s per week for the year, a further 25 per cent. make 7s 6d per further 25 per cent. make 7s 6d per of the workers only earn 3s or 4s per week in the year. The latter, according to the class of work, are the minimum rates of pay agreed to for half-a-day's work. That is to say, there is an average of 3750 casual labourers in Liverpool who receive half-a-day's work every week. "The children of these people," says Councillor Sexton, "trade on the streets, but are frequently packed off to the industrial schools. The wives go charring. Because of inability to pay the fees of the industrial school for the training of his children, the husband not infrequently is sent to goal. The children are picked up by the police off the streets for some petty offence and sent off to the industrial schools after investigation by the Education Committee of the City Council. The position of the children seems to me to be the worst feature in the whole unhappy business."

There is a very bad form of sweating in England by which women are paid a few shillings per week in numerous trades for work that is out of all proportion to the payment. None the less, the work is fairly regular. The worst form of sweating seems to be that of these armies of casual unskilled labourers, who each have to keep a family on four or five shillings a day, coming perhaps twice, perhaps three times a week. They are the people with whom most of the misery of the slums is associated in these waterside cities, and Liverpool has to within a year or so had the very worst slums in England.
Out of all the great mass of poor labour it presents in connection with its maritime areas, there are some remarkable facts to chronicle. The wages of these thousands are kept at the level they are by the Mersey Docks and Harbour Board, which, being a combination of shipping and railway interests, has subordinated the privileges associated with harbour rights and dues to commercial usage. Prior to 1857, the people of Liverpool, through their Corporation, possessed the full rights over the river and the dock trade, but for some inscrutable reason Parliament in that year consented to a Bill, promoted by big commercial and maritime interests in Manchester and the Great Western Railway Company, which gave the Board they constituted full power to step in and deprive the city of Liverpool of its ancient rights to control its own port. It was, in short, a monstrous piece of commercial ingenuity. The best that Liverpool could do under the circumstances was to extract, with great difficulty, the sum of £1,500,000 by way of compensation. What the value of the Dock dues of Liverpool represents is shown by the fact that in 1906 the total income was £1,305,509. Of this no less than £303,223 were town dues—money that should, according to ancient right, have gone to the benefit of the citizens.

Since the Board so successfully promoted its monopoly of what morally was a public service, it has steadfastly refused to admit the city any representation in its affairs. Notwithstanding its enormous financial resources and powers to derive revenue for the purpose, the Board also steadfastly refuses to pay above the wages already mentioned to the thousands of unskilled casual labourers it keeps at its beck and call. It is part of economic phenomena that there is a large surplus of labour to draw on, and keep the supply well above the demand. Whether the municipality would have done better may be debatable: none the less it is difficult to conceive of it perpetrating an evil worse or more inhuman. It is one of the anomalies of public opinion in England that a private commercial body can keep thousands of men, women, and children at the point of starvation and demoralisation by chronic under-payment, whilst if a municipality dared to perpetrate the evil, there would be a horde of indignant ratepayers, bishops, clergymen, reformers, and journalists demanding to know what on earth the Council was about.

Casual unskilled labour is one of the things that are at the root of unemployment. The most recent investigations show that amongst the unemployed, the typical figure of the elderly labourer, "too old at forty," cast out of his work because of his grey hairs and failing years, hardly exists. Except in the more acute and abnormal periods of unemployment caused by trade depression, it has been found that no less than seventyfive per cent, of the out-of-works are young men ranging from twenty to fifty, all casual unskilled labourers. In some districts in Britain the percentage reaches 90. These men belong to all classes of dock and shipping labourers and various branches of the building and other trades, where elemental manual labour is in demand. In round numbers there are half a million of casual unskilled workmen in Britain whose weekly earnings never rise to the average wage of 24s per week. The uncertainty of work for these half a million makes it imperative on the wife to assist in winning the necessaries that existence demands. What her absence from the home entails for the children may easily be guessed. But when, under the stress of modern industrial conditions, she has to bear children, when under the defective and insanitary conditions she and her husband live, the only avenue of pleasure open to them, the only solace and companionship, is the dirty foetid slum gin palace, night after night, who is to say what such a condition of things will spell for the unborn child? That is as much the curse of casual labour in Liverpool as in any part of Britain. In the case of the great seaport, however, the existence of a commercial monopoly has accentuated it.

The problem is characteristic of every department of British industrial activity where it is necessary to have a reserve of labour in call. It is an incident of modern industry just as sweating is. Both help to demoralise hundreds of thousands of men, women, and children, and Britain is working toward the solution, just as, half a century ago, she began to solve the difficulties and the horror that were associated with excessively long hours, in sanitary workplaces and dangerous processes in her factory life. What the solution may be cannot be discussed here. The only outstanding question that remains is how much of the misery, the degradation and the social waste might have been saved to Liverpool's black army of casual labour had the city not been deprived of its right to determine for its workers what was a living wage and what was starvation pay?

Plan of the village of Port Sunlight

Chapter IX.

The Future City.—Port Sunlight and Prosperity
Sharing.—Modern Town Planning.

The banks of the Mersey presents one of the most remarkable contrasts in human habitations that exists in the world to-day. Nowhere are the differences of environment, with all its attendant influences on mankind, more [unclear: strikingly] demonstrated. Here are two pictures.

Down in the valley, wedged in between the walls of great factories, are rows and rows of three and four storied houses, blackened with dirt and smoke, and punctuated by endless chimney pots straggling desperately above the slated [unclear: roofs]. There are neither gardens nor [unclear: gards]—only houses, back to back, gazing gloomily into narrow courtyards, or winding through cramped and crooked streets where washing hangs night and day—drab splashes of colour that mock the dinginess. The courts and streets are filled with children and children's voices revelling round the one tap that probably supplies forty householders. The voices, sometimes shrill, sometimes husky, sound far into the night, for the call of sleep in the slum comes late.

There is neither sentiment nor joy in the scene. The night of poverty, the squalor, of the surroundings, transfix the thoughts with other things. But where are the parents? Down at the street corner there is a low building conspicuous by its tawdry lights and the voices within. The state of the atmosphere is shown by the moisture that runs down the window panes. All signs are within save for a seedy figure that scraps outside on a cracked and broken hearted fiddle. You may go in if you choose. It is not wise to do so, not that the people within are not good-hearted and hilarious enough—heaven knows. It is just a question whether you can stand the atmosphere, the hot thick atmosphere that nobody inside seems to mind. But just a moment—there! The swing doors open and a figure lurches out on to the pavement. The scene inside is visible for a few moments. Beneath the dim and smoky lamps, men and women—women with babies wrap in shawls and children clinging to their draggled skirts—are packed against a counter four or five deep. There is a glitter of bottles behind them. Mugs of foaming beer are lifted on high and glasses arc handed back to those in rear. The scene is charged with animation. There are shouts, laughter and snatches of sons, but there is a note of overpowering disorder, of human madness in that congested mass of men and women drinking—drinking life and soul to the reeling, swaying dark of stupor. That is a picture of a Liverpool slum.

A woodland dell banked with flowers winds into one of the daintiest of open spaces. The foliage seems to float through the trees in the sunlight. On all sides at odd intervals peering into the depths of this sylvan loveliness are houses, quaint early English houses, with picturesque gable and lattice, red tiles and panelled just as Shakespeare knew the charming old town of Strat-ford-on-Avon. But here we are in a modern village, built but a few years, taking all the best elements out of a picturesque past and applying them with the science of modern town planning to the home beautiful. There are children in white and coloured pinnies romping under the trees and in the sun-light. Each house rises out of a bed of flowers. Nature and architecture go hand in hand, and everywhere is a vista of a glimpse of beauty. Twelve o'clock whistles from a factory somewhere beyond the glade and presently the tree lined road is full of men and women, youths and girls. They troop by to their homes smiling and talking. Everybody is clean and bright faced. There is a vitality in each step that makes its own grace. They roam with the houses through parks and gardens and radiant thoroughfares. Their village is a dream of woodland splendour where life and labour move amid beauty and contentment. That is a picture of Port Sunlight, one of England's model villages planned by Messrs Lever Bros, on the opposite side of the Mersey a few miles from Liverpool and the blatant reality of its slums.

The Port Sunlight estate, comprising some 200 acres, consists of a series of well planned factories, docks, railways, and workers' dwellings, besides a large number of buildings devoted to the religious, educational and social well being of its inhabitants. It is laid out on the best principles of modern town planning. The housing conditions are almost ideal. Each building is well constructed, picturesque, well situated and let at a rent that averages about five shillings a week. In every case there is a garden patch with trees in front of the house, and at the back are extensive allotment gardens. It is the realisation of the hack-to-the-land cry in England. Water is laid on and supplied free of charge. Tuition is given by a practical gardener, and for flowers and vegetables grown in the village prizes are awarded annually at the horticultural shows organised by the controlling firm. In the village it-self there is a theatre, a public library, technical and elementary schools, a lecture hall, a museum, boys' and girls institutes, an employees' provident society, scientific, literary and mutual improvement societies, a telephone system, fire brigade, ambulance society, bowling and tennis greens, swimming baths, football grounds, rifle range, gymnasium, hospital and church. In all this there is to be seen nothing of the monotonous and depressing rows of brick and mortar, the hard distressing regularity of design that is so common to so many English and Colonial cities. Port Sunlight, in fact, sets a standard above the modern suburban area as well as providing healthy homes and refining influence in the environment of its four thousand workers. The enterprise is described by Mr. Lever himself as "prosperity-sharing"—the best means he can find of sharing profits with
his work people. He has recently stated that the firm gets a return from the money invested in the better health and consequent increased industrial efficiency of the workers. Mr. Lever in short has given practical recognition of the relation of housing to industry.

In order to realise how far a private firm can, side by side with its commercial success, make enlightened provision for its workers, the institutions of Port Sunlight are well worth studying. The village is no Utopian project any more than the other model communities in England like Letchworth, Hampstead, Ealing, Bourneville, Leicester and Hull are. It is a commercial project designed to secure and develop industrial efficiency. Port Sunlight proves that men and women working eight hours a day can turn out more and better work than those labouring ten or eleven hours in other concerns and living under poor housing conditions. Prominent among advantages enjoyed is that of the Em-

A charming type of workman's collage at Port Sunlight, which is let to tenants at 7/9 per week.

Workmen's Houses in Port Sunlight.

There are many people in New Zealand who would like to possess homes as picturesque in design and surrounding as these, yet the weekly rental, in a valuable area as Port Sunlight is, reaches only 7/- per week for each of the above cottages.

[See Chapter IX.

[unclear: players'] Benefit Fund, which is provided entirely by the company. To every employee retiring after at least 20 years' service at the age of 65, and 60 of a female, is paid a yearly allowance. The basis is such that, if an employee is receiving 38s. per week, he will on retiring after 40 years' service receive an allowance of £50 per year. Similar provisions are made for those retiring through ill-health or to the widow and children of a deceased worker. A Holiday Club is in operation by which a fund is automatically created for workers when the time for relaxation arrives. Faithful service is acknowledged by the presentation of a gold watch together with a long service badge. The Port Sunlight order of Conspicuous Merit is awarded in cases of personal bravery. The male workers labour 48 hours and the female 45 hours per week. Free tram and train tickets are provided to those who come from a distance. Cash prizes are awarded in the soap works itself for the best suggestions for labour saving devices and increased comfort of the workers.

These are a few of the more interesting and suggestive phases of life at Port Sunlight. The spirit of the workers is said to be very appreciative, although there are times when a more restless spirit than the mass is apt to rebel against what has been termed "the benevolent autocracy" of the firm. The drawback to the scheme is that many of its advantages which the workers receive cannot be translated into terms of pounds, shillings, and pence—at least not at present. That is what seems to be in the future between labour and capital. The prosperity-sharing scheme as it works at present is no guarantee that the demand of labour, for a full share in the prosperity that it creates, is being fulfilled. But compared with what exists for the majority of British workers to-day, Port Sunlight is a guarantee that a considerable share of its prosperity is going into the health, the happiness and surroundings of its workers. It is the half-way house to an absolute scheme of co-operation or co-partnership between the labourer and the employer, which seems to be a debatable alternative to State control, but it has yet to develop and be given practical demonstration. Judging by the opposition of the trade
unions and labour generally to Sir Christopher Furness' scheme of co-partnership, that realisation is a long way off.

Since the above was written, a cable announcement has been made that Messrs Lever Bios have entered into a comprehensive agreement for profit sharing. The details, however, are not available.

But there is a more immediate and an essentially practical side to Port Sunlight that is of great importance to young communities. That is the principles upon which it has been laid out, designed and beautified. Those principles are the foundation of the modern town planning movement in England, which takes its cue from what has already been accomplished in Germany. In British cities to-day there are comparatively few good houses, and a mass of slums. There are a few wide main arteries for through traffic and a network of unordered or undirected streets—a few large parks, but no smaller open spaces or playgrounds for the children of the gutter. Most of the towns are being extended by private speculation and individual owners on lines that are neither healthy, attractive, nor even economical. What the congestion of city life represents is shown in the remarkable figures that 12 millions of England's people are housed on 152,000 acres—an average of 79 to the acre. It is mainly towards the prevention and solution of the evils associated with this sort of thing that town planning is directed. Under the model by-laws of the Local Government Board it is possible to build fifty-six houses to the acre. Health experts say that there should be not more than twelve, which on town planning lines is economically feasible. The movement is briefly to do for a town what an architect does for a house.

Everything is planned out and estimated according to the resources available. The geometrical design of most of our colonial cities, with streets running at right angles to each other, is abandoned, for the reason that no thoroughfare can, on those lines, present much symmetry or grace. The streets are laid out, on the other hand, in a series of curves and straight lines, of varying widths, and planned so as to give the greatest convenience to traffic, to demarcate areas of business, manufacture, and residence with every provision for open spaces, sunlight, and beauty. An important provision is to reduce the cost of estate development by allowing roads in strictly residential areas to be of considerably less width than an arbitrary sixty-six feet, but securing the desired open space by insisting that the houses shall be built several feet back from the roadway. Provision is made to ensure that the architecture of a particular thoroughfare is designed and placed in such a way as to secure a harmonious perspective. Tree-lined avenues and the preservation of all existing natural features are also secured. Town-planning aspires to be a safe permanent four per cent, investment. Its aims may be summarised as follows:

- Reduction in the cost of estate development.
- The bringing into the market of more land for housing purposes.
- Co-operation between local authorities and landowners, and landowners amongst themselves.
- The pooling and the re-distribution of small plots of land.
- Harmony between buildings located on adjacent sites.
- Prevention of overcrowding evils in stead of ratepayers having to pay heart compensation for their cure later on.
- The assistance of thoroughly qualified men in town planning, with business experience.

The Garden City idea, such as is embodied in Port Sunlight, has undoubtedly captured the imagination of the British people. It comprises in one enters price the advantage of Town and Country. The existence of building societies co-operative housing bodies, and privates companies, have made it financially a sound investment to the residents and the shareholders. The advantage that is at once apparent is the provision of open spaces where the children and the young people can play, whilst the older people rest and enjoy themselves in a natural manner. There are also all the influences of environment associated with nature, beauty, art, and health, as opposed to those exerted by ugly house and streets, by "artificial brick boxes with lids of slate," and absence of air space. To have captured the imagination of the British people, unimaginative as undoubtedly they are, is a recommendation in itself. Town planning, in short, is claimed to be the solution of the housing problem.

Letchworth, the first Garden City, Limited, situated thirty-four miles from London, amid beautiful surroundings, is the materialisation of the town planning dream. The Garden City Company was registered in 1903, with a capital of £300,000, divided into shares of £5 each, for the purpose of developing the Letchworth estate on the lines suggested by Mr. Ebenezer Howard in his book entitled, "Garden Cities of To-Morrow."

A specimen of the insanitary property that existed on the estate before Port Sunlight was built.
In Port Sunlight.

One of the features of Port Sunlight is that every house commands a view of park or garden-like plots.

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So far the project is a decided success. The estate has nearly doubled in value since the company acquired it, and it is designed on such a basis that the land in time will become the property of the individual householders. Letheworth has drawn thousands of visitors from all parts of England to its picturesque and charming surroundings. The estate, which is six miles square in area, carries on its town area (one-third of the average) a population of 5,000 inhabitants, 1,000 houses, besides factories, workshops, shops, hotels, churches, and 200 acres of parks and open spaces. The area is quite independent of the 2,500 acres of rural land comprising the agricultural belt round the town, which it is intended shall not be built on. The Garden City has its own gas, water, sewerage and electric supply. The health statistics for 1906 show a death rate of 2.75 per thousand. Compare this with extensive areas in Leeds, for instance, where the average is 26.2 per thousand. There is not a note or scene in the whole place that is not in harmony with nature or art. It is an antidote to the slum, rural depopulation, infantile mortality and physical degeneration. It is exerting a remarkable influence upon the Municipalities, upon whom the realisation grows that powers are absolutely necessary to bring the principles of town planning into effect within their own rapidly developing suburban areas.

The decentralisation of the crowded areas of the modern city, the limitation of the number of houses to the acre and the people that shall live therein, the creation of air spaces, of picturesque environment and the inspiring of mankind to a higher plane of thought and consideration for his habitation are all one with this remarkable movement of the twentieth century. Their essentials are crystallised into the principles of the town planning, that made it possible for Port Sunlight to arise in beauty and scorn with loathing the hideous picture that stares from across the river. Unfortunately, that picture cannot always be entirely disassociated with our Colonial cities. Is it, therefore, a good or a wise policy, that they should go on developing as they are doing without some regard or some appreciation of the knowledge and the experience that lies beyond the sea in modern England to-day?

Chapter X.

The Woman’s Movement.—Who are the Suffragettes?—A Girl and her Army.

A shrieking sisterhood, a band of excited females seeking the limelight, waving umbrellas, storming at Cabinet Ministers, and dragging the fair fame of womanhood in the mud—that is the feminine ogre that haunts the domestic bliss of middle-class England. You pick up the ”Daily Mail” or the ”Daily Express” and see that these mad women have been at it again; you are convinced by their strong manly condemnation of the militant suffragette that she is but as they say, ”a person” and ”a thing”—”a mere seeker after notoriety.” You read the cables in the Australasian press and wonder what on earth ”these silly women” can want. Their very tactics seem to show that they are unfit to have a vote.

Beside all the force, the sincerity, and the brains that are behind the woman’s movement in Britain, beside all the elements that unfolded with the nineteenth century by which woman became fellow-worker with man, by which she entered the arena of medicine, of education, of factory inspection, of the university, of social undertakings, of the arts, of innumerable industries, of politics itself, this estimate of woman as a social and political unit is rather trivial. The women in Britain to-day who chain themselves to public railings, who break up meetings and make the cry of ”Votes for Women” resound through every corner of the land, know perfectly
well what they are about. Every demonstration of this sort is planned and thought out from the main camp in Clement's Inn as carefully and coolly as any big military undertaking. It is one of the most deliberate and calculated processes in current political movements. Behind it is a galaxy of brilliant intellects, university degrees, authors, writers, thinkers, doctors, students, and authorities that constitute the most remarkable feminine organisation the world has ever seen.

Throughout all the ages there have never been, so far as history records such a distinguished company of woman united in an unswerving demand for economic equality with man. The factors that have produced that demand came with the economic changes of the last century when the invention of steam and the demand of capital for cheap labour forced women out of the home into the open arena with men. Up to that time woman had chiefly been the lady like inferior of her gentlemanly lord and master, the Gretchen of her noble prince the squaw of the war-hungry chief. She was wholly dependent on the male, and the wings of her genius were clipped to the needs and the adornment of the household. But the very comment which forced her to tend its machines robbed her of many of the arts and crafts that made her strength in the home. The fair hands that knitted quilts, spar broadcloth, wove tapestries, laces, curtains, and carpets, that potted preserves jams, spiced meats, that made bread cakes, sweets, cider, and a host of other things creating the complexity of domestic activities, were supplanted by the machine. The very sphere that men de claim as woman's was invaded, robbed.

The New Way.

What is provided for £45 per annum under town planning.

The Old Way.

The usual backs of British suburban "villas," which are let at £43 per annum, and have no gardens.

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and limited by man in his march of commerce. Nowadays it is mechanical ingenuity that makes our daily bread and garments, that provides our food and household needs, that even does our washing. The work of the home, in short, was transferred to the factory, and woman went with it to become a potent factor in all the ramifications of commerce, when she did not remain behind to be a pleasure-seeker and a parasite. The increasing opportunities in public life, the invasion of the professions and all forms of wage-earning occupations that do not carry the physical fatigue and oppression of the factory itself, have operated against the existence of idle women. The mid-Victorian spinster, who was brought up in an atmosphere of sweet prudery and refined ignorance, who sighed over the Family Journal and read Ruskin, no longer survives. The typical girl or woman to-day of Britain, whether she be doctor, designer, actress, typist, milliner, teacher, book-keeper, post office clerk, lecturer, journalist, or factory hand, is no longer a parasite. She is a separate and independent unit in the economic process. Outside of domestic occupation her labour contributes to no less than one-third of the industrial work of Britain.

Practically all that immense amount of work, proceeding in a manufacturing country of forty-three millions of people is paid for at rates considerably below those paid to men—rates that not infrequently imply starvation when one recalls the extraordinary amount of sweated labour in modern Britain. Nearly all the more lucrative positions of the Homeland are in the hands of men. As a wage-earner woman is the "bottom dog." Moreover, it is a remarkable thing that during the last sixty years, whilst rates of remuneration have risen with men, the wages of women have remained stationary, and in some cases have even fallen. Men, who have had a vote, and
by the operations of their trade unions, have been able to force an increase in the reward for their services more proportionate to their value, whilst woman, who has no political status, remains powerless. That is one reason, but one reason only, why there is this wild and recurring cry echoing through Britain, "Votes for Women!"

There are many other claims. Women are taxed without being represented, and taxation without representation is tyranny. Women have to obey the laws equally with men, and they ought to have a voice in deciding what those laws shall be, particularly as nowadays many legislative proposals concern so intimately the hearth and home, the wellbeing of children, and the moral and social elevation of people. Woman, because of her education and economic independence, will no longer be silent in the affairs of a State that is faced with an appalling rate of infant mortality, of the waste of child life, of employment of single and married women, of sweated female wages, unemployment, and the care of the aged and the needy. But what of the militant suffragette and her lawless methods?

In order to grasp the potentialities of the woman's movement it is necessary to take a glance back at time. The Parliamentary movement to restore the voting rights to women they possessed prior to the great Reform Act of 1832, began when John Stuart Mill entered the House of Commons. In 1867, he crystallised all his advocacy for the cause of women into an amendment to the Reform Bill, which, needless to say, was defeated. Mr. Israel Zangwill sums up the event tritely:—"You can imagine the hullabaloo it evoked, what a god-send it was to the comic papers; you have only to read them to-day to see how well a joke wears! A woman who wanted to vote was supposed to be a sort of lower creature who chewed the quid and divided the skirt. But nevertheless, there was a very grave and memorable debate, and with John Stuart Mill were found no less than seventy-three other righteous men who voted for this amendment—196 against. Where were the other 400? As usual, neglecting their duty."

From that day to 1906 the woman's movement has been forty years of wandering in the wilderness. Women's suffrage societies were formed, meetings held; petitions signed. Year after year resolutions were passed calling upon Parliament to grant the suffrage. Year after year, politicians, irrespective of party, made promises and breathed sympathetic aphorisms to the band of women who waited and waited—and waited. The last four Prime Ministers in succession—Gladstone, Salisbury, Balfour, and Campbell-Bannerman—declared themselves in favour of the female franchise. It is a strange thing that those declarations can only be forced upon the politicians of to-day by women, by educated, able, and refined ladies being incarcerated in prison like any common convict or blackguard. Peaceful, law-abiding methods for twenty years failed, even though Parliament had been more extensively petitioned for women's suffrage than any other reform in the Kingdom.

There had been a disturbance in Manchester in 1905 when Miss Christabel Pankhurst and Miss Annie Kenney were flung out of a freetrade meeting for persisting in asking Sir Edward Grey (the present Minister for Foreign Affairs) for a pronouncement on the suffrage. They were sent to goal for "assaulting policemen." The climax, however, came in April, 1906, when, during a debate in the House of Commons on the removal of the sex-disqualification of the franchise, a banner was thrust from the ladies' gallery, bearing the legend "Votes for Women." For generations the decorum of the House had never been so rudely shocked. London was amazed at so vulgar a proceeding. The press declared the cause of women's suffrage had been put back for generations. The event was followed by deputations representing over half a million of the sex to Sir Henry Campbell-Bannerman, who said that women had made out an irrefutable case, but that some of his colleagues were not converted to the reform. He had no advice to give but "Patience."

That was the beginning. A series of public demonstrations followed, arrests were numerous, women went to gaol is droves. The haunting of unconverted Cabinet Ministers was, in fact, the outcome of some advice by Mr Lloyd-Geonge who, speaking at Liverpool, said: "Why do they not go for their enemy? Why do they not go for their greatest enemy?" Almost immediately London was electrified by the untoward spectacle of a Cabinet Minister, in the person of Mr Asquith, taking precipitate flight through his back door before an invasion of the suffragettes. The majority of papers both metropolitan and provincial, took up the demonstrations as a joke. Columns were hurled at the public, giving interviews, protesting, ridiculing, and sometimes defending the women who dared to face the jeers of the mob, the police, and Bench, and go to gaol, martyrs to their cause. Unintentionally the press convulsed all Britain with interest in these extraordinary women. Universities, debating societies, pulpits, public platforms, clubs, and other associations tell to violently discussing the question. The university undergraduates, in particular, with all the defects of their qualities, declared "these women" to be

How an Estate is Planned Under Ordinary by-Laws.
According to the English by-laws over forty houses can be placed to the acre.

[See Chapter IX.]

"unsexed," and "had dragged her pure tame into the mire." The paleolithic argument of man's superiority over woman cropped up with unfailing regularity. But the outstanding feature of this wonderful outburst throughout city and province, the most important aspect of the whole activity, was the thousands of women who flocked in on all sides to join the militant sections of the franchise advocates. The older societies, whose methods plainly indicated their peaceful and constitutional respectability, felt it was unladylike and vulgar that the suffragettes should shock the public in the way they were doing. They passed resolutions accordingly. The papers, particularly "The Times," supported them. They said that if these unruly women had only been moderate and reasonable, Parliament would have given them what they asked for. Members of Parliament passionately avowed the same righteous opinions, but declared that in consequence of the behaviour of the suffragettes, they would have to forego granting the reform.

All this seems incredible after twenty fruitless years of decorous advocacy, of petitions, of immaculate sobriety in urging that the political status of women should be other than it is to-day when she is legally the compeer of infants, idiots, and lunatics. Neither politicians nor press seemed capable of realising. That it was the political insincerity of both parties that had produced the militant suffragettes; they were unable to grasp the truth that behind all this lawlessness, this unhappy, unwomanly demonstration, there were far-seeing, rational and capable intellects demanding a reform that no force of argument or logic could refute.

In any case the outcry that has filled the unenlightened section of the British Press against the violent methods of the militant woman is not at all consistent as emanating from men. Mr. T. D. Benson proved that in the following: "Of course, when men wanted the franchise, they did not behave in the unruly manner of our feminine friends. They were perfectly constitutional in their agitation. In Bristol I find they only burnt the Mansion House, the Custom House, the Bishop's Palace, the Excise office, three prisons, four toll houses, and forty-two private dwellings and warehouses, and all in a perfectly constitutional and respectable manner. Numerous constitutional fires took place in the neighbourhood of Bedford, Cambridge, Canterbury, and Devizes. Four men were respectably hanged at Bristol, and three at Nottingham. The Bishop of Lichfield was nearly killed, and the Archbishop of Canterbury was insulted, spat upon, and with great difficulty rescued from amidst the yells and excravations of a violent and angry mob. In this and other ways the males set a splendid example of constitutional methods in agitating for the franchise. I think we are all well qualified to advise the suffragettes to follow our example, to be respectable and peaceful in their methods Nike we were, and then they will have our sympathy and support."

To disabuse one's mind as to the real character of these women, who are persistently maligned, it is only necessary to hear them speak or meet them in private life. Mrs. Despard (the sister of General French) is one of the most picturesque figures of the moment. She was several years past three score when in February, twelve months ago, she was sent to gaol for three weeks for taking part in a demonstration outside the House of Commons. Notwithstanding her years she is a keen worker, and a prototype of all that is eloquent and refined in her sex. Mrs. Emmeline Pankhurst is one of the pioneers, and a potent and stimulating force. She has a remarkable force of intellect and is wholly fearless. Only last year she was rolled in the mud and maltreated, with another lady, in Devon, by a gang of roughs. Her daughter, Christabel Pankhurst, is the finest woman speaker in England. The force of her logic is only equalled by the fire of her oratory. In 1906 she took her L.L.B. with honours, and is only twenty-eight years of age. She as the originator of militant tactics, has been to gaol several times, and lately distinguished herself by cross-examining several Cabinet Ministers, who were called as witnesses in a charge against her, in a manner that earned for her the title of Miss "Portia" Pankhurst. Another influential lady in the movement is Mrs. Pethick Lawrence, who is a very fine speaker, an able journalist, and altogether talented and refined—the very antithesis to the popular conception of the suffragette. There are many others like Lady Grove, the Viscountess Harberton, Mrs. How Martyn, A.R.C.S., B.Sc., and Mrs. Billington Grieg, but enough has been said to indicate that the women's movement is spreading under the direction of some of the finest and most able members of the sex in the British Isles.

Mrs. Pethick Lawrence put the whole question of militant tactics when she said to me one day in the presence of Miss Christabel Pankhurst: "You do not suppose that our women, many of whom are ladies by birth
and training, look forward with any pleasure to being spurned by a mob, rough handled by policemen, placed in a felon's dock, and sent off to gaol to face, in solitary confinement, for several weeks or months, all the horror and misery, the wretched food, and the cruelty of the wardresses, for the sake of notoriety. But what else can we do to awaken the public mind when, after organising the biggest public demonstration in London, when over a quarter of a million were present. Mr. Asquith in answer to that, says he has nothing to say? Not all the sentences of the magistrates in England will stop this imperishable demand of woman for liberty. We are winning all along the line in spite of them. Our adversity is our strength."

"We will win if we die for it," said Miss Pankhurst, "that is what we are here for."

The movement is still going on, drawing fresh converts to its ranks. In 1906, the militant women of England were less than a hundred. To-day their membership is a matter of hundreds of thousands. This is the result of the courage and the prescience of a young girl, who stood in the dock, at Manchester Police Court, in 1905, and went to prison on an absolutely false charge. She set the dazzling example, that has since inspired a nation of women. She is the living spirit of the womanhood of the twentieth century. It is the engrafted prejudice of centuries, the traditional sex dominance of the male that brings her passionate cry for liberty. History can offer many parallels in which progressive measures and their exponents have been derided, scoffed, and treated with all that is malignant and detestable in human nature. In Britain to-day history has repeated itself, and this young girl and her army are winning. They are blind to all things but the dazzling light of the truth—the truth that will see woman go forth, emancipated and free, to move with man in the work of the world.

How the same Estate is Planned Under Co-Partnership Methods.

Showing the spaces, greens, and trees placed in due proportion to the number and position of the houses, which average ten to the acre.

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Chapter XI.

On the Continent.—Paris and Vienna.—The Creation of Modern Cities,—Transformation and Beauty.

There lived in Paris in the last century an impressionist painter who was such a genius, the people thought him mad. He had painted a wonderful vista of the Seine, reaching from bridge to bridge, far into the distance and marshalling between limpid river and sky, an immense composition of towers and spires. It was a scene at sunset—a sunset that burst in splendour far beyond the distant towers of Notre Dame, pointing to an ocean of cloud rack dipped in fire, and stretching out to infinity. The radiance of the west that held the city spellbound with beauty, transfigured the floating images in the flood below. With daring imagination and wild, vivid masses of colour, the painter had laid the soul of Paris bare. Genius had come to him in the hour of his need and misery. His friends and fellow-artists crowded round his studio, and called it his masterpiece, but he was not satisfied. He wanted it to be more than a painting, to be an apotheosis of the most beautiful city in the world.
His only conception was to paint, with all the purity of aspiration his art engendered, floating above the river against the glory of the sunset, the nude figure of a girl with arms outstretched. To him, that was the spirit of the city, the highest incarnation of its beauty. But his friends filled his studio with laughter at the idea, and when he argued they only jeered. The painter fled from them in anger and grief. He brooded far into the night alone in his studio before his canvas, where the flesh tints glowed still wet and daring. At length, in a fit of renewed anguish, he flung his palette to the floor, ripped the canvas from corner to corner with a knife, and hung himself in despair.

One has not to be deeply concerned with the art that has made modern Paris, or spend many hours by the classic banks of the Seine, to know that poor "Claude Lantier" was far from erring. His art had produced for him the highest conception with which he could personify the city he loved. His friends were blind to any other belief than it represented Paris as they had found it, just as many find it to-day. That aspect of the gay city, the realities of which can but present so much human wreckage and social disaster, is but a phase. The true beauty of Paris lies in its splendid gardens and thoroughfares, its buildings and monuments, its priceless art collections, and the romance of its emancipation from the black, bitter days that culminated scarcely a generation ago. Whether it is by the river gliding away like a shining strip in the dusk, by its classic bridges and tree-hung banks, or through the woodland sweetness and grace of the Champs Elysees, there is that pure spirit of beauty which was personified in a nation's lost masterpiece.

Paris is the pioneer of a transforming and modernising influence which has set all European cities in search of beauty and pure environment. What has been done in the brilliant French capital has found a reflex in the development of Berlin, St. Petersburg, Budapest, Milan, Rome, Dresden, Munich, Brussels, and more particularly Vienna. Paris is the fountain head of European municipal progress, although, in later years, its advanced methods have been surpassed by the German cities. The effect of its example is felt least of all in Britain, whilst America and Australasia, for different reasons may be, have lagged behind.

The example of Paris has even penetrated Eastern Europe. Sofia, the capital of the Balkans, from which one mostly hears mutterings of war and lawlessness, has, since the eighties, been transformed from a dirty, overcrowded village into a pretentious city, complete with modern shops, boulevards, electric lighting, cars, and other modern municipal appointments. Modern Athens can be considered quite up-to-date in these respects, whilst in the Italian cities, from Rome North, particularly Milan, there are vivid evidences of municipal development.

In the beginning of the nineteenth century Paris was mainly a maze of dark, narrow tangled streets, sprawling around historic palaces, churches, and monastic structures. What to-day is the finest square in Europe, the Place de la Concorde, was the site of the guillotine and some of the most terrible episodes of the revolution. It was on the smoking ruins of palaces and churches that wider thoroughfares and gardens sprang up. That fanatic spirit of revolt which had overtaken an empire and drained a nation of its blood, became embodied in the creative spirit of the new era. Paris had no mercy for the architecture of past generations. Buildings and churches were torn down ruthlessly to make broad, straight avenues through the hopeless muddle of medieval congestion. Everything was sacrificed to secure to the city symmetry of design, spaciousness of thoroughfares, squares, parks, embodiment of order and beauty. The revolution that had culminated in blood and horror, continued long after it had spent its fury on the hapless aristocrat. In its march to municipal consciousness it swept away what Mr. Frederic Harrison, has described as [unclear: a] chaos of competing authorities, a tangle of obsolete privileges, and a nest of scandalous abuses." Since 1855 something like 144,000,000 francs of indebted ness have been spent—a prodigious cost truly—but of which some 50,000,000 remains unpaid to-day. The result is that Paris was planned into a series of encir ling boulevards, and wide tree-lined thoroughfares radiating out from the centres in such a way as to make it one of the most convenient cities in the world. Nowhere is its geometrical symmetry more evident than from the summit of the great Arc de Triomphe—the Charing Cross of Paris. On all sides twelve magnificent thoroughfares radiate out the which the finest, and one of the most remarkable avenues in Europe, is the Champs de Elysees, sloping with its hundreds of trees, its cafe chantants, ant beautiful buildings down to the Place de la Concorde, the Tuileries Gardens, and the crowning pile of the Louvre itself Beyond the Arc de Triomphe, through at avenue of surpassing loveliness, is the Bois de Boulogne, a wooded park that covers 2200 acres. It is there one comes upon another evidence of that passion for beauty, which was lost with the Greeks only to be recovered by the French, the passion for landscape gardening, statuary, classic fountains, and cascades. The placing of these things for effect, the making of charming perspectives by inclining rows of trees, are high arts with the Parisians. Nowhere in the wide world, unless it is in the grounds of the Royal Palace, Sehonbrunn, at Vienna, are there such picturesque and artistic public gardens as in or about Paris. The grounds of the Royal Palace at Versailles or the classic terraces and flower beds that line the gardens of Saint Cloud, by the Seine are notable examples. The city, in fact, is the most varied in its beauty of any of the European capitals, unless it is Vienna.

The transformation of Vienna is even more remarkable and dramatic than that of the French capital. In
1848, when the Emperor Francis Joseph came to the throne as a boy of eighteen summers, the capital was one of the most crowded, inconvenient and insignificant in Europe. It was hemmed in by a ring of military fortifications, moat and glacis ground. Within this encircling belt lay the city, about a mile in extent, huddled together, palaces, churches, business premises, and residential areas in a congestion that was as intolerable as it was insanitary. Beyond the walls were nearly forty villages commencing to grow together in an ill-regulated and unimposing mass. Population was spreading fast, and commerce had long demanded reform. It was Vienna's great opportunity, and everybody, from the Emperor downwards, rose to the occasion. By a Royal decree in 1857 it was decided that the girdle of fortifications must go. The project was so vast that it was managed by the Imperial authorities with the co-operation of the municipal bodies. In the place of the medieval fortifications rose a magnificent thoroughfare two hundred feet in width—the famous Ring Strasse. In its wealth of architectural grandeur it has no parallel in Europe. The Champs Elysees is remarkable for its wooded and park-like splendour, its public monuments and matchless perspective; but for spaciousness, dignify, and composition of architecture, and grandeur of structure, the broad tree-lined encircling belt of the Ring Strasse is the most imposing in the world. Comparison between the two can but accentuate the beauties of both. Vienna summoned all the finest talent in Europe to her aid. There was no waste or undue extravagance. Structure after structure was raised, each distinct for monumental grandeur and dignity. The most careful consideration was given to placing them in generous garden spaces and to secure the finest effects in composition and perspective. It resolved itself into a great artistic achievement. Practically all the public buildings requisite to a great capital were marshalled there, the structures including the Rathus (City Hall), a superb example of Gothic architecture. Houses of Parliament, a Greek building adorned with magnificent sculpture, the Royal Opera House, the finest in Europe, the University of Vienna. Imperial Museums of Art and Science. Palace of Justice, the Royal Theatre and Imperial Palace, and various other beautiful structures, all conforming to the symmetry and magnificence of the whole. They soar above one another amid gardens and wooded splendour, harmonising with the tree-lined spaciousness and immensity of the street itself. One of the remarkable things about the project was that it was practically self-sustaining. When the fortifications were razed and the moat filled up, one fifth of the total area was set aside to be sold as private building sites, which in all realised £15,000,000.

Once the retaining walls were burst asunder, the city spread like magic. Magnificent new suburbs sprang up over the squalor of the outlying villages. New arterial thoroughfares were constructed, radiating out from the broad Ring Strasse. In the city itself old thoroughfares were broadened and straightened, new sewerage and pavements laid down, until, what had been a tangle of antiquated crowded courts and streets emerged into a splendid scheme of convenient thoroughfares and new buildings. The liberating of so much land as was held by the old fortifications, and the wise policy of the Imperial authorities, led to an era of re-building and commercial activity. There was from both public and private effort almost an entire reconstruction of the capital. The expansion and rebuilding was governed by the most exacting regulations prescribing solid and durable construction throughout. The height of buildings, the street lines, balconies and other considerations were all subject to the most rigid supervision. Nowhere probably were such drastic conditions imposed, they being, of course, the effect of revulsion in the public mind against the squalor and overcrowding of the past. Later years have seen the dangers of imposing a castiron set of regulations upon a community, but Vienna has little to repent in this respect. In the vicinity of the Ring Strasse itself, the designs of all private buildings were subject to the strictest scrutiny so that harmony and beauty would be secured throughout its splendid length. It was a wonderful example to Europe what unity of purpose and collective action could do in a community.

From the wooded height of the Kahlenberg, high above the capital, the city is spread out in the dusk like a white mosaic glittering with jewels. Beyond it the historic Danube flows in silver reaches to dim foreign lands and distant seas. It is a magnificent panorama of a thoroughly modern city evolved from medieval chaos to grandeur and beauty. Great arterial thoroughfares radiate out from the dominant centre to garden suburbs, parks and beautiful palaces. On the fringe of the suburbs another wide belt, enriched with gar dens and trees encircling practically the whole city. This outer circle is the logical complement of the Ring Strasse. A wide space on either side is preserved to ensure a pure supply of air to the capital held within its far-reaching sweep.

The virtues of this particular cult of beauty, which has seized so strongly upon European imagination in recent years may not be regarded as of much importance in young countries where natural splendour abounds. Unfortunately, neither the influence of Nature nor art can be said to have had recognition in our colonial cities and towns in the face of what one finds on the Continent. The modern conception does not exist under the Southern Cross, except in the case of isolated parks and gardens, a stray thoroughfare, or a few public buildings placed without much regard to surroundings. Sooner or later it must be identified with our public and municipal life as the influence of environment on national character and temperament becomes possible of practical recognition.
Chapter XII.

London and Berlin.—A Study in Contrasts.—The Course of the Unfolding Century.

Berlin is one of the most modern capitals in Europe, and it has a dignity and a Spaciousness permeating the grandeur of its splendid thoroughfares that compares well with London. The contrast between the rival metropolitan aggregations is one of the most vivid things in all Europe.

In London there is a powerful survival of the historic in buildings, in public customs, functions and offices and the methods by which the work of a City surrounded by cities, that has no paralleled on earth, is accomplished. London front Hampstead Heath to Streatham is a network of narrow, wide, cramped, ill-regulated thoroughfares straggling out without order or design to the remote horizons where the suburbs take up miles of brick and mortar and spread their story far into the hills of five counties. Its great buildings, which every year resound to the tramp of nations, are solid venerable piles to which is attached a sentiment and adoration that can wholly overlook any of their architectural shortcomings. None the less they peer strangely into the gloom and the hazy atmosphere that dominates the metropolis for more than half the year. Their beauty of structure and architectural adornment, smudged as it is in the mist and fog, stare at one at one out of an incongruous surrounding of black squat buildings and cranky thoroughfares. It is this amazing medley of beauty and ugliness that in time grows upon one with a sort of horrid fascination. The Londoner believes that the extraordinary environment that huddles around places like St. Paul's or even the Abbey, gives dignity to the historic structures. He does not see that they in themselves only emphasise the hideousness of their setting.

A ride on top of a 'bus from the Abbey to St. Paul's on one of London's typically grey days, will reveal the extraordinary confusion of buildings and thoroughfares that passes as the most wonderful city on earth. The hoary old pile of the Abbey rises in harmony against the splendour of the Houses of Parliament that reach up to many a chiselled and fairy pinnacle and tower high above the river. But right opposite the beautiful facade with its two towers that Sir Christopher Wren pencilled into the noble pile of Westminster is a modern hotel and a dingy hospital, whilst a thoroughly modern heavy suite of British Government offices starts blatantly into the vision from an adjoining frontage. Whitehall, begins by being a wide thoroughfare, but it takes unto itself the funeral pall, the strange dim wonder that blots the distance and softens the buildings out in uncertain outlines against the wild and turgid stream of traffic. The immense new pile of the war offices looms up white and dignified in the mist, but its beauty is mocked by a dirty rambling collection of buildings right opposite it, known as the Admiralty. The ragged arena of Trafalgar Square suddenly bursts into view dominated by a long lank column with a little figure on top. It is the Nelson monument of course—one of the most incongruous "works of art" that was ever perpetrated in the name of patriotism, and London has some notorious examples. It looks like an elongated jester's stick stuck into some blocks of stone guarded by four lions. Even Landseer, who was unquestionably British, could not help imparting to the lions a certain stolid respectability that nobody could mistake. Immediately behind it a low prison-like building sprawls out across the width of the square. Its only adornment is a painfully small tower shaped like an inverted egg-cup. This is the famous National Gallery, from between the classic columns that support the ponderous portico one gazes on to brand new piles of shipping offices and banks that cannot help flaunting their excessive modernity in the face of the gloomy old pile.

The name of the Strand promises something better, but it turns out to be nothing more than a succession of blatant shops, poking their wares out of plain, sour-faced buildings, modern hotels, banks, all squeezed together as tight as congestion can make it. Theatres elbow their way into the mass and hurl loud posters into the street. Amid all the roar of traffic and the hooting of motor buses, one seems to hear these ill-assorted buildings squabbling for room, each one striving angrily to get its face in front of the other. Only the white piles of the Savoy and the Cecil look down in a sort of calm, lofty indifference upon the clamour below. The Strand is a most distressing thoroughfare. It begins by being painfully narrow and cramped. Then it bulges out on one side as if something had given way under the pressure, only to lurch back again in a drunken outline and crowd an amazing amount of traffic and swaying 'bus drivers into the neck, where the Waterloo Bridge-road effects a junction. Beyond it widens into a kind of lagoon, where two churches rise into view, looking as though they
had drifted and stuck there right in the middle of the channel of traffic. Ugly old Somerset House and a bright red tube station alternately frown and smile on them alike. It is only when the stately pile of the Law Courts swings into view, with the promise of Fleet-street to follow, that one begins to thrill. But it is short-lived. One cannot see the Lan Courts for the ugly crowd of buildings that peer at and hem them in, save for the solitary sweetness of Clement's Ins. Immediately beyond, the bus rumbles through into historic Fleet-street.

Imagination was never more disastrously disillusioned. It is a thoroughfare of advertisement hoardings with windows in them. Every paper that ever was seems to glare at one in gilt letters. The medley of words that flash by on either side is appalling. The whole street is written all over with its calling and the wonder of it is that beneath the pile of squat, ugly buildings tumbling down towards Ludgate Circus, there are hundreds of presses hurling forth the story of the world in a feverish haste and clanging amid the din of thousands of fierce panting voices. Over the whirlpool of Ludgate Circus, beyond a rusty overhead railway bridge, that chops the view in half, rises the ponderous towers and dome of St. Paul's. It is a wonderful bit of perspective that, even though a plain slab of a church tower half-way up "the hill" pokes itself into the vision. The City Cayhdradl dwarfs everything about it into insignificance, but all its imposing effects is lost, crowded in as it is by drunkes rows of buildings that eddy with uncertain outline round the base. The mixture of architecture is wholly incongruous. It reminds one of a plum pudding set in a dish of asparagus. The whole spirit of the surroundings seems to be personified in a particularly ugly and fat statue of Queen Anne, that turns its back on the Cathedral and tip-tilts a snub nose at the distant Fleet-street.

In all this medley of streets and buildings, struggling spasmodically to conform to order and beauty, but each element running its own sweet will irrespective of its neighbour, one sees an indication of national thought and character. It is an architectural demonstration of "the liberty of the subject." The conception of any collective plan or scheme that might have shaped London into a city of splendid avenues and well-ordered properties has been subordinated to the individual will. It is a case of every building for itself, and the County Council take the worst. That policy recently cost the ratepayers six millions sterling to wipe out a dirty slum and compensate the owners who had built it, in order to make a street a quarter of a mile long, and let a little daylight into the heart of the metropolis. But let us look at Berlin.

Just as London is divided in two by the Thames, the German capital is sliced in half by the Spree. At the Brandenburg gate, one stands at the entrance to the city and the finest thoroughfare in the Empire. The secluded and deeply wooded depths of the Tiergarten are behind—an immense park lined with drives and walks winding round lily-clad lagoons, stautary, and classic fountains. On the edge of this city forest stands an immense pile reaching up to the loftiest of domes. It is the Reichstag—a noble building set in a wide-spreading area of garden and tree-lined avenues. The Brandenburg gate, true in its beauty of the best traditions of Athens, makes a dignified entrance to a classic square—the Parisier Platz, and the broad and spacious Unter den Linden, reaching out to nearly 200 feet in width, and lined as far as the eye can reach with a double row of trees. The latter forms a remarkable and pretty avenue of limes and chestnuts for pedestrians down the centre of the thoroughfare, whilst on either side the roadway stretches with the buildings beyond. A summer day gives brightness to the scene as one strolls down the cool avenue, wondering at the cleanliness of the buildings and the buoyancy of the people. Here there seems to be no wrangling between the structures which shall thrust its most aggressive feature into your vision. The architecture of the one flows into the other. They are the creations of order and cleanliness. At the junction with Fried rich Strasse, Berlin presents some of its gayest and happiest aspects. Cafes abound and spread their innumerable tables and chairs under the trees. Beyond a statue of Frederick the Great commands the way, and points to the architectural grandeur of the city. It is past this point that a remarkable area of public buildings spreads out through open spaces, gardens, and park-like plots, grouped together to secure collective effect. On the right are the palaces of Kaiser Wilhelm and Empress Friedrich. Between the two, set in a large open square pictured by flower gardens and turf, rises the Opera House. On the opposite side, planned out with dignity and space, are the University building and the Arsenal (or Museum)—one of the finest buildings in Berlin. Over the whole group there is harmony of design and setting that cannot be altogether dissociated with grandeur. A canal Is crossed immediately beyond with a single span, and an immense square, filled with trees and monuments, opens out on all sides to the beautiful buildings that guard it. There is the Royal palace designed by the celebrated architect, Schinkel, on one side rising in contradistinction to the simple classic splendour of the Altes Museum that faces it—a creation of the same mind. Through the angle of the square, soaring above the sunlit flood of the Spree, and peering over the trees and gardens that surround it, rises the National Gallery—a pure Grecian building that flows serenely into the composition. But dominating the whole square, and commanding a magnificent view of the Unter den Linden itself, is the immense Cathedral, the sight of which fills every true German heart with patriotic pride. It is emblematic of the character of the race, profound, aspiring, and commanding. Just as may be seen in London's busy congested thoroughfares the materialisation of national thought, Berlin's architecture, set out with space and dignity, reveals the broad conception of order and beauty that is behind the Teutonic mind. No
individual will, irrespective of the communal welfare, has moved in the creation of London's rival capital. It is the direct action of the State and the Municipality, having mutually the ambition to build a great city, that gave to Berlin its comprehensive design, its spacious thoroughfares, its collective harmony and dignity.

There are points of difference in the administration of the two metropoli that but serve to emphasise the contrast between them. London, up to within recent years, was the home of the policy which gave the private company preference over the Municipality in the conduct of its affairs and needs. It is now in a state of transition, but one must necessarily emphasize the traditional order of things if the contrast with Berlin is to be effective. By reason of its enormous vested interests and pecuniary offices that had come down from the bad old days, London was excluded from many of the reforms that gave life and soul to the municipal work of the north. It was mainly because the city laboured under a medieval survival known as guilds. These guilds, eighty in number, were originally designed to regulate the callings or trades they were associated with, such as the Mercers Grocers, Drapers, Goldsmiths, Merchany Tailors, etc. They were societies of gentlemen, entrance to which could only be gained by purchase, patrimony apprenticeship or honorary vote. They were the borough councils of mediend towns. But in later days, when industry revolutionised the towns, government he these self perpetuating guilds beauty totally obsolete and intolerable. England wiped their existence out everywhere except in London, where to this day they survive and practically [unclear: donate] the city. These guilds have [unclear: lon] lost their original purpose. Their total membership is now only 8800, and they derive enormous incomes from house and business property they own in the quarters of the Municipality. They and at best, [unclear: fossilised] relics of the out-of-date carrying with them immense privilege and powers that are held at the expense of the rest of the community. These privileges and powers on still strong enough to key municipal progress back and [unclear: st] reform. London also labours under the incubus of private water companigas, electric lighting, tramways, and docks and other commercial concern monopolising public services for individual gain. It was against all these [unclear: cl] concerns and vested interests that the Progressives of the London Country Council directed their brilliant work, but the Moderates, the representatives of private enterprise, succeeded in [unclear: frightening] London into a wave of re-action, and now the old battle for progress goes [unclear: of] again.

In Berlin, the administration is based upon the principle that it is the Municipality and the Municipality only that can best conduct its affairs. In order to secure the highest technical skill and efficiency, Berlin pays a handsome salary to its Mayor, Deputy-Mayor and seventeen out of the thirty-four members of the [unclear: sity] Council, after the manner stated [unclear: of] the chapter following. Since 1873, the Municipality has been providing every [unclear: as] of public service, including [unclear: abaitors], markets, hospitals, gas, railways. [unclear: cuses], water, sewerage, street cleaning, [unclear: initary] and food supply inspection, nartile aid, lodging houses, labour [unclear: lony], insurance against sickness and [unclear: nd] age, savings banks, pawn-shops, parks, [unclear: creation] grounds, police, elementary, [unclear: condary] and technical schools, etc. [unclear: Owg] to the services being in an experimental stage at the time, Berlin allowed [unclear: private] companies to conduct electric [unclear: irs] and lighting under the strictest [unclear: unieipal] supervision. Both companies [unclear: iv] heavy fees to the City for the right of service, and pay over annually a [unclear: conierable] percentage of their profits. In [unclear: te] course of the next few years the [unclear: hole] of their plant and property will [unclear: vert] to the City. In recent years, a [unclear: agnicifent] drainage system has been [unclear: augurated] complete with extensive [unclear: eas] of sewage farms. These farms [unclear: Main] numerous orchards, vegetable, [unclear: reals] and grass plots, and supply the by extensively. Within a short period [unclear: be] profits from this source will be [unclear: ough] to pay back all that was [unclear: inlated] in them, and eventually they will [unclear: d] a source of surplus income that will [unclear: i] in the direction of lessening municipal [unclear: xatiou].

In London the County or Borough [unclear: nincils] have practically few powers [unclear: er] the cutting up of private lands for [unclear: sidental] sites and building operations [unclear: her] than those provided by a set [unclear: be] cast-iron by-laws that have only succeeded in producing acres and acres of fairly wide streets lined with depressing rows of houses of a prevailing type and design. In Berlin, the Municipality plans out the whole of its suburban areas, and with the assistance of the most expert and scientific knowledge the land can offer, it determines the width of its streets. Amid a multitude of powers it can even alter the exterior design and position of a house or a series of houses so that picturesque effect and harmony can be maintained throughout a street. The result is that the modern suburbs of Berlin are a succession of charming houses, hidden amongst trees and shrubberries or adorned with garden fronts. Open spaces and parks bound in conformity to the needs of the area. They are creations of art and nature, presenting an environment of health and beauty that cannot but leave its impress upon the people. Nor is it simply an area of which only a particular class gain the advantage. The Municipality provides for the labouring classes, in these districts, cheap, clean, and healthy homes wherever possible, so that all ranks of the community receive the benefits of enlightened methods.

The contrast stops short when one recalls the miles of dirty congested areas in the greater and older
metropolis in such districts as Mayfair, St. Paneras, "the East End," Bermondsey and Rotherhithe. It is only fair to say that London moves rapidly in the track of Berlin, despite the handicaps of antiquity and vested interests that retard it. But the contrast in methods must surely convey a striking lesson to an age in which health, sanitation and sociological betterment illumine the course of the unfolding century.

Chapter XIII.

The Example of Germany.-Supremacy of the Civic Function.-How the Growth of Cities is Controlled and Directed.

After the gloomy splendour and ponderous architecture of London, and the succession of black dirty centres that focus industrial activities in Britain, the German city bursts upon one white and clean, pictured by domes and spires reaching to the blue above tree-lined avenues and splendid parks. It is a creation of beauty and brightness, of fine public buildings grouped into orderly perspectives, of wide and convenient thoroughfares, of modern shops and palatial offices, and of suburban areas winding through trees and gardens that know no crowding.

In permitting towns and cities to expand without direction or control, in the failure to provide that expansion went on in a manner beneficial to the community and the health of its inhabitants, in the making of miles of insanitary, overcrowded areas of brick and mortar and terrible housing conditions for millions of people, England exemplifies the errors of the nineteenth century. In the realisation of, and the effort to remedy, those errors, to direct the growth of her cities into well ordered streets, open spaces, to secure lighting, air, and bright, healthy surroundings, Germany leads the world.

The hub of her social progress is the municipality. Nowhere have the powers and the possibilities of the civic machine been so quickly recognised, so widely developed; nowhere are the results more instructive or convincing. It is true that up to the closing years of the last century the German cities had not been eager to apply the teaching of science. The example of Paris, which was the pioneer of municipal progress in Europe, Stimulated the great awakening that began in 1870. Since that year there have been two powerful factors which accentuated in the cities the problem of overcrowding—a large increase in population and a rapid transference of national activities from agriculture to manufacture and commerce. Germany, in short, repeated the process that went on in England in the early and mid-Victorian periods, when she deserted agriculture for industry. That process materialised for the Teutonic cities almost identically the same problems in overcrowding and defective housings conditions which wrought such havoc in England. The national spirit of cleanliness embodied in the German house wife however, was an antiseptic to some of the evil effects the English cities suffered through the insanitary habits that were imported from the country to the cities with the influx of the agricultural population. Moreover, prior to the realisation of a united empire, many of the German towns had been the seat of government of the head of petty principalities. These potentates, following a conventional ambition, frequently preserved large areas for private garden and pleasure grounds, and laid out a few broad tree-lined avenues approaching the royal residence, or palace. May of the towns were encircled by a ring of fortifications. These appointments proved of great value as they became absorbed in the municipal process. Fortifications were razed to make new thoroughfares whilst royal grounds and avenues were treated largely as communal possessions. In spite of this, however, many of the cities had the legacies of medieval congestion in their midst, whilst the demand for housing accommodation that came with the influx of population resulted in extraordinary congestion. The fact that the tenement dwelling or "flat" running to five stories in height was the standard type of habitation dwelling accentuated the overcrowding. They were run up in blocks and built so closely that frequently there was only a narrow courtyard to depend upon for air and lighting to the homes of dozens of families.

It was all the result of an extraordinarily rapid growth. The immense modern impetus that has transformed European cities in the lust thirty years has only its parallel in the rise and growth of American cities. In the ten years preceding 1890 the rate of expansion of the German cities was even faster than those of the western world with the exception of Chicago, if one to suggest that colonial cities are not up-to-date in their administration and facilities, the reply is almost certain to be it is because they are younger communities. But in many of their problems and municipal activities, they are relatively no younger than many of the German cities. They are not burdened, moreover, with a loss in productive energy
and wealth by emigration, or with compulsory military service, whilst individual prosperity is nothing like so great. These observations can but serve to emphasise the disadvantages under which the German cities have wrestled with the problems in their midst and produced solutions that are a striking example to any community with civic ideals.

Although there are in existence to-day overcrowded and unwholesome areas, in nearly all parts that have been built on, in recent years every care has been taken to secure wide streets, to arrange that very wide tree-planted avenues occur at no great distance from each other among the ordinary streets, that there are strips of pleasant gardens and larger park-like plots at frequent intervals. "It is no exaggeration to say," says Mr. T. C. Horsfall, of Manchester, a leading authority on housing and town planning in Europe, "that in all German towns which are known to me, the very poorest parents, in whatever part of the town they live, have far pleasanter places near their homes in which they can seek fresh air and beautiful surroundings for themselves, and space for the exercise of their children, than the richest people who live in any part of Manchester. If we take the physical conditions of the inhabitants of a town as an index to the efficiency of the system of municipal government in the case of Germany, then we shall certainly be compelled to say that the German system is far superior to ours. For the inhabitants of the large German towns are far more robust in appearance, and are, on the average, taller and broader than are the inhabitants of our large towns."

The German municipality alone determines the manner in which its confines and suburbs shall spread. To that end building plans are prepared of all the districts into which the extension of the city is likely to proceed. These plans are compiled by the highest experts in the land, and set forth amongst many things the roads, the open spaces to be preserved, sites required for public buildings and purposes, the building lines on which sites may be built, the mode of building, the distance of buildings from the street lines, the height of buildings, etc. They make every provision for security from fire, the amount of public traffic which is to be expected, the configuration of the land, an adequate supply of sunshine to every habitation to be erected in the area, the kind of building that shall be allowed, and whether factories and workshops can be erected according to the existing character of a district—in fact, for every possible contingency or need that is likely to arise. The object of the building plan is to prevent overcrowding, to secure the extension of a city so that it conforms to the best principles of modern town planning, to promote beauty in conformity with utility, and secure to residential areas those natural features and surroundings that an enlightened age demands. The amount of thought, trouble, and experience that is brought to bear in thus designing the future areas of the city is as astonishing as it is admirable. It is characteristic of the thoroughness and the scientific method that is identified with practically all the activities of the German municipality. The architects, wherever it is possible, consult the needs and wishes of the private land owners and commercial interests, and before the building plan is finally adopted every individual is given the opportunity of demonstrating any injury that might be caused. Once the details are completed and confirmed, a city can only spread along the lines of that plan. The method of cutting up private lands for speculative purposes by individuals familiar to the colonies is not permitted. It is, in fact, held to be a first cause of the evils that accumulate as the city expands.

With suburban tendency as the keynote to modern municipal development, the importance of these plans cannot be too often emphasised. They secure continuity of design between city and suburb, direct avenues for (puck transit, and in regard to the ruinous process of street widening, compensation, etc., give practical effect to the axiom. "Prevention is better than cure." Most colonial cities in design resemble the checkerboard pattern of the American centres. The former ground plan is much more flexible representing a combination of the radial and the concentric with the rectangular and parallel—a system that is in every way more convenient.

When agricultural hind is being transformed into building land, owners are often led by consideration of their own pecuniary interests, to effect exchanges with each other for the purposes of forming more convenient building plots. But it sometimes occurs that the obstinacy or the stupidity of a single owner makes all agreement impossible. The consequence is that buildings have to be adapted to inconvenient sites, with the result that they are unfavourable to the health and welfare of the inhabitants. The recognition of this difficulty gave practical shape to a remarkable system known as the "lex Adiekes" for the consolidation and redistribution of separate plots of land. The system is, in effect, the corollary to the building plan. When agricultural land is cut up into suburban allotments, owners have to set apart certain areas for roads and footpaths. By the German building plan, the municipality decides the area and the location of those areas. Under the "lex Adiekes private owners make over their plots of land to the town. The town retains a part of the land thus surrendered, and uses it for streets and open spaces. The rest of the ground is planned into building plots suitable for building on according to the needs of the individual owner. Each owner receives back the area of his original holding, less the percentage deducted for streets. The new plot is given as near as possible to the old plot, and the questions of corner sites and other special claims are carefully taken into account. It is invariably found that the smaller plot of land is more valuable when returned to the owner than his original holding was.
Part of a German township before redistribution under the Frankfurt law "Les Adickes."

Thus briefly is the elaborate and highly specialised method by which the German has evolved a practicable method of setting the site of his town in order before the commences to build it. But the process does not only apply to new districts. It is used in inhabited districts in such a way as to give a town—if it makes a street through an unhealthy district for the improvement of housing conditions or forms a public square in such a district—the right not only to obtain by compulsion the plots of land and houses needed for the street or the square, but also to expropriate and pull down the unwholesome houses in the neighbourhood. The "lex Adiekes," which was brought about by the Oberbürgermeister of Frankfurt-am-Main, Dr. Adiekes, became law in 1902, after endless difficulties. It only applies to Frankfurt, though it is quite certain to be extended later to other towns, inasmuch that its operation has proved a practicable and remarkable success.

The German system of municipal Government has been shaped by the belief that the work of controlling and governing a city requires the highest experience and the devotion of long periods of service by its civic heads. The Mayor, therefore, who is required to be very competent, and in many respects technically proficient, is appointed for extended periods, varying from six to twelve years, and is paid a high salary. With him are elected several councillors or adjoints, distinguished by professional attainments in municipal science, who also retain their seats for long periods, and are paid good salaries. Every mayor and adjoint knows that he will probably old office for many years, and is there-are encouraged to think out the best policy for the welfare of the community, the system has resulted in a high degree of civic efficiency. The expert chiefs of departments that are found in the English and Colonial systems, in Germany become "the city fathers." The paid elements in the municipality come from the civil service of other German cities where they have made a record and are noted for their expert qualifications. They include legal officers, financial directors, architects, civil engineers, school administrators, and other experts. It is quite understood that these men, including the Mayor, will be reappointed at the end of their terms. Their tenure is practically for life, unless the position is forfeited by misconduct or incompetence. But the largest proportion of members are unpaid.

The numbers of paid and unpaid members respectively are represented in the following typical instances:—Dresden, 14 paid, 18 unpaid; Leipsic, 12 and 15; Munich, 16 and 20; Breslau, 13 and 11; and Frankfurt, 9 and 8. Stuttgart, the most conservative of all the German cities, until recently paid its Mayor alone. Under these circumstances, it may happen that a Mayor may come from another centre, just as a city engineer or town clerk may do. Thus the late Dr. Forckenbeck, Mayor of Berlin, originally established his qualifications in Breslau. The cost of salaried Mayors and Adjoints, who secured to German municipal government its efficiency, is comparatively small. Mannheim, for instance, which has a population approaching 150,000, pays its Mayor £1000 a year, its deputy-Mayor £600, and two Adjoints respectively £525 and £500. The Mayor of Stuttgart, which has a population of 180,000, receives £750 per year, whilst two Adjoints are paid £460 each. In Germany civic dignity is the ambition of all classes, and for that reason the municipality draws some of the finest and ablest men of the day.

In addition to the Council itself, the services of a large number of citizens are enlisted to serve as associates on committees, who are entrusted with the care of parks, open spaces, schools, charitable aid and sanitary services. It is considered an excellent system, in that it secures to the city the co-operation and the public service of unofficial members of the community, and promotes a public spirit and ambition worthy of the test traditions of civic unselfishness.

Under legal edict and accepted belief it is considered necessary that every city should have an abundant
amount of land of its own. German municipalities have [unclear: oeside] English communities, seemed wide areas for every conceivable public purpose, including the erection of large numbers of dwellings. The municipal house is quite a feature of German life. A great deal of support, however, is given to building societies to provide residential quarters in preference to the municipality. The latter grants loans at cheap rates to these societies, and is permitted to take some of their shares or become security for them. The municipality further assists these societies of public utility by allowing them the use of the land it has acquired at cheap rentals.

In an edict issued in April, 1901, the Saxon Ministry of the Interior, says: "The evils which prevail in the housing system, at least so far as large and growing towns are concerned, have one of their chief sources in unsound excessive speculation in land and buildings, speculation which often uses very ignoble means. A community can find no more effective way of keeping this speculation within the limits of justifiable business than that of itself exercising a moderating influence on the land market. Hence, towns on the one hand should increase their holding of land to the fullest possible extent by well-timed purchases, and on the other band, they must abstain from dealing with their land on strictly commercial principles and seeking only to make profit, the gaining of which ought to be subordinated to higher aims."

On March 10th, 1901, the Prussian Ministers representing trade, commerce, the interior, religion, and agriculture, issued a joint decree on the housing question, in which the following appears: "It is advisable that the towns themselves should build the houses either by their own workpeople or by employing contractors. Towns will promote the provision of an increased supply of small, wholesome, cheap dwellings for the poorer classes, if whenever the housing conditions are unsatisfactory, they give as much suppose as possible to building societies of 'public utility.' It should be a condition for receiving help from the community that the building societies are bound to provide wholesome and suitably arranged dwellings at low rents; that the dividends payable to the members be restricted to not more than four per cent on the amount of their shares, and that in case of liquidation not more than the normal amount of the shares be payable to the shareholders, any surplus being used for public services."

These two excerpts are the keynote of municipal ideals in regard to habitation "The liberty of the subject" is an unknown cry in Germany. "The good of the community and the welfare of the people" is the popular sentiment that has found extensive recognition true State and municipality and the people. In might be supposed that the advanced legislation which Germany offers in contrast to England, is the result of [unclear: Socialisition] propaganda. Mr. Kairlio, in his work on "Municipal Administration" (1901), discusses this very point, and says the advance is not the result of any political propaganda, but is a gradual development of their own experience." Mr. Albert Shaw, in his "Municipal Government in Continental Europe" (1895), after offering to the activity of Socialists [unclear: immunicipal] politics in France, says: "Already the German cities would appear. from the viewpoint of other countries, to be far advanced in Socialist undertakings; yet it must not be forgotten that the municipal ideals of a thrifty burgher collectivism and those of the social democracy in German cities may tend as far asunder as those of the burgeoisie and the proletariat in France. As yet the German city governments are in the hands of the educated and the thrifty classes. What social overturning will some day give these splendid business machines into the keeping of the working classes is a speculative topic that may be suggested here, but need not be discussed."

This briefly and imperfectly is an outline of one or two main features of Germany's civic progress. Whether they are of practical application to colonial cities is a matter for experts and experience, but nobody can resist the extraordinary example they offer, the deficiencies they suggest in our own surroundings or the results they show in practice. There are in the German conception of city government no limits to municipal functions. It is their business to promote in every practical way the welfare of the municipality and the well-being of the burgeses. When will Australasia recognise this truth in its entirety?

[The End.]

vignette

The Problems & Perils of Socialism Letters to a Working Man
By J. St. Loe Strachey
EDITOR OF The Spectator Macmillan and Co., Limited St. Martin's Street, London 1908

To Theodore Roosevelt

President of the United States of America
DEAR MR. PRESIDENT,

I asked your leave to dedicate this book to you, not because of private friendship nor out of personal regard, though these would have been reasons amply sufficient. Again, I did not ask your leave because you represent the nation which, next to my own, I love and admire—the nation which divides with Britain the allegiance of the English-speaking race. Though I am proud that this page should bear the name of one who sits in the seat of Washington and of Lincoln, it was not any touch of pride that moved me. I asked to lay this book in your hand because I felt that such a dedication would be in the strictest and truest sense appropriate. You are not only one of the most convinced and most powerful opponents of Socialism living, but, what is more, you oppose Socialism for the right reasons—or, at any rate, for what I deem to be the right reasons. You oppose it because you believe that it will imperil the safety of the State, by breaking down the character of the citizens, and by drying up the sources of national wealth. In a word, you oppose Socialism because it is the enemy of the people. But while opposing Socialism in the name of Liberty, of Justice, of Manliness, and of Common sense, you have never failed to insist that a lawless Capitalism is as great a foe to the nation as a lawless Communism. You will indeed be remembered in History as the man who withstood the corruptions of monopoly and who insisted that the arbitrary powers of wealth must be restrained. But this you did without ever falling into the destructive error of regarding accumulation as an evil, or of looking upon property as a crime. You have kept that just mean which Tennyson ascribes to the spirit of English Freedom when he addresses her as "loather of the lawless crown as of the lawless crowd." You have been determined to check and denounce tyranny whether in capital or in labour. That is the anti-Socialism which I desire to support. Whether these Letters will do anything to accomplish their design remains to be seen, but at any rate they show their true colours by being connected with your name. Let me thank you once more for the honour you have done me, and let me assure you that

I am, Mr. President, with all respect,
Your sincere Friend,

J. St. Loe Strachey.

Contents

Introduction

The "Letters to a Working Man" tell their own story, and so require very few words from me by way of introduction. I may perhaps be allowed to mention, however, that the gentleman to whom they are addressed, Mr. Charles Harvey, lives in Bishops Sutton, a small colliery village in Somersethshire. Though Mr. Harvey worked in the mine as a lad, his present work is in a shop doing a large retail business. I may state that the first two or three of the letters were addressed to Mr. Harvey without thought of publication. Later, it was suggested to me to throw into the form of letters to him matter which I had written elsewhere, and to publish the whole, first in the Spectator and afterwards in book form; but in putting together such matter I always had the thought of my correspondent in my mind. I should add that in writing to Mr. Harvey as I have written I knew well that I was preaching to the converted, for his views on the problems and perils of Socialism are in close agreement with my own. This fact was illustrated by two very able letters on Socialism contributed by him some eight or nine months ago to the Spectator, though not signed by his name—letters which deservedly attracted a good deal of attention. I mention these facts as it has been suggested that the letters were not really addressed to a bona fide working man.

The letter form, when used in dealing with a number of detached points, has its advantages, but there are also certain inherent disadvantages. In the first place, there is the danger of repetition; and next, there is an equal danger of omitting a good many subjects that ought to have been included. If I tried to sum up the general result of these Letters, it would be to say that they show that the chief peril of Socialism is waste—waste both in the moral and in the economic sense. Socialism would not only deteriorate character, but it would lessen product. No man realises more clearly than I do that there are a great many evils in our present system of production and distribution. Still, that system does contrive to provide shelter, clothing, and food for the mass
of the people of this country. Can it be said that Socialism would do the same? I believe it would do nothing of
the kind, because the mainspring would have been taken out of the clockwork. Our present organisation does
provide an incentive to work. Socialism withdraws that incentive, or rather substitutes the much less powerful
incentive of coercion. Till it can be shown that slave labour is as profitable in the economic sense as free labour,
and that the order of an official or of a committee can compel men to as great activity as that which is shown
under our present system, I at any rate shall consider that free exchange holds the field, and will always beat
compulsion in the matter of production. But that system which has the greatest product must clearly be the
system which will give the best results, and do most to diminish the evils of poverty. The ultimate cause of
poverty is scarcity, and the only way to combat scarcity is by increased production.

I ought perhaps, before I end this Introduction, to say that, though I have written so strongly against State
interference in the matter of the labour of grown men and full citizens, I have no objection whatever to State
interference intended to protect women and children, as in our Factory Acts. Women and children are not free
industrial agents. They are in a position of dependence, and work can be and is exacted from them by
others—by those, that is, from whom they derive their subsistence. Therefore the State has not only the right
but the duty to see that they are not forced to work unduly by those who stand to them in a position of
trusteeship. I know that this view will be challenged as regards women, though no doubt it will be admitted as
regards children. Nevertheless, I hold that, owing to physical, social, and moral considerations which I cannot
enter into in detail now, women are constantly placed in a position where they may be com- pelled to work
under injurious conditions unless the State interferes to protect them. No doubt the State must not overdo that
protection, but some measure of restriction as to hours and conditions of labour is certainly beneficial. I refuse,
however, to admit that the protection of women and children from excessive hours of work affords a ground for
preventing full-grown men selling their labour at their own price and under their own conditions. My working
day is not infrequently one of twelve hours, and occasionally more. I should regard it as a piece of gross
oppression if, owing to a Journalists' Eight Hours Act, I were not allowed to work as long hours as I pleased.
That being so, what right have I to assent to the State depriving men in trades in which I am not concerned of
their liberty, and of saying to them: "Whether you like it or not, we refuse to allow you to work more than eight
hours a day "?

In concluding this Introduction I desire to thank the Rev. R. H. Law for allowing me to reprint in an
Appendix his spirited verses "To a Socialist Friend." They express most happily the lessons of Freedom and
good sense which I have tried to set forth in these pages.

J. St. Loe Strachey.

The Spectator Office, Wellington Street, Strand, London, W.C.

Capital the Working Man's Server and Helper

DEAR MR.—,—,—I like your letter because of its manly tone, and because it shows that you do not make
the fatal error of dividing the world into rich and poor, and considering them as if they were different species of
animals. That is a mistake which the rich are often accused of making in regard to the poor, but I am afraid it is
a mistake which is almost as commonly made by the poor. Yet a little reflection will show that there is no
difference of kind whatever, but only one of degree. Society is a slope, and a very gradual slope, and not a
series of steps. The man with £2 a week looks upon the man with £1000 a year as a rich man and cut off from
him by the fact of those riches. But in reality the £1000-a-year man is not separated from the working man so
much as he is separated from the millionaire with his £100,000 a year. I often laugh at my well-to-do friends
and tell them that they need not imagine that working men are always thinking about them or envying them
their money. Just as the Duke of Westminster, Mr. Pierpont Morgan, and Mr. Rockefeller are not always in the
thoughts of well-to-do or comparatively rich men, so working men are not always grieving that they are not in
the ranks of the comparatively rich. At the same time I admit, of course, that when you come to the really poor
and where there is actual want, there is a difference not merely in degree but in kind. No man desires the
abolition of this form of poverty more than I do. The more I study the question, however, the more convinced I
am that the way to get rid of true poverty and to improve the condition of the working classes is not by State action or State doles, but by increasing the remuneration of labour—that is, by increasing wages on the one hand and lowering prices on the other. What is wanted is to give the working man a greater share in the profits of industry. Now, in my belief, there is only one absolutely certain way of doing this, and that is by increasing the amount of capital in the world. Capital is only of use to its possessor when it can hire itself out and get paid its wages. Capital is, in fact, always trying to earn wages under the name of interest. Now, the lower the wages it is willing to take, the more money it leaves over to be distributed amongst the various forms of labour with which it is bound to co-operate in the work of production. If there is very little capital in the world and many people competing for it, it can obviously demand a very high wage or rate of interest. If, on the other hand, there is a great quantity of capital trying to get itself hired—that is, trying to earn interest—it has to be content with a lower remuneration for its services. In other words, the men who do work of all kinds, mental or mechanical, are in the best position when they can go into the market and hire capital cheap to help them in the work of production. What, then, the workers of all kinds should do is to encourage the growth and accumulation of wealth—that is, capital—in order that they may have a larger supply of this useful servant at their disposal. They want to breed capital just as a farmer wants to breed cows and horses. Yet, strange as it may seem, thousands of working men have convinced themselves that capital is their enemy, and that they must try all they can to destroy it. By furthering Socialistic schemes, by threats of confiscation and of unjust taxation, and by causing a sense of insecurity, which makes people think it will not be worth while to accumulate money because it will be taken away from them by force, working men are, in fact, proposing to reduce the supply of capital in the country. The result must, of course, be a fall in wages. They are trying to kill the cows instead of milking them.

I, on the other hand, want to see capital accumulating freely and in large quantities, and competing everywhere for labour, and thus raising the labourer's wage. Though they so often deny this fact by their acts, what all labourers, whether with brain or hand, instinctively desire is higher wages. They sometimes indeed overdo this desire, or rather think only of the nominal amount of their wages, forgetting that the true way of estimating the value of wages is by considering their purchasing power. The essential thing is to leave capital and labour alone. If we do that, I have not the slightest doubt that labour will get its just reward in a greatly increased remuneration. Most of the things that we do nominally to help labour really injure it by reducing wages. Almost all Socialistic schemes tend in the end to reduce wages. This was shown in a marked degree in the old Poor Law. In the parishes where outdoor relief was given to every one, and where practically everybody was a pauperised pensioner of the State, wages were always found to be at their lowest.

I have inflicted a very long letter upon you, I am afraid, but the subject, as you know, is one upon which I feel very strongly.—Yours very sincerely,

J. S. T. L. S.

II

The Force that makes the Wheels go Round

DEAR MR.——,——I want to try and put to you yet another series of arguments in regard to Socialism—arguments which show, in my opinion, that working men, quite as much as those who are more richly endowed with the world's goods, should not be Socialists. Believe me, it is not because Socialists are innovators or agitators, or preach things contrary to the established order of society, or, indeed, are this or that or the other, that I am opposed to them and their doctrines, but simply and solely because I believe that Socialism is utterly impracticable, and that any attempt to bring it about must plunge the country into untold misery.

Let me try to put my reasons in the simplest form possible,—the form which is sometimes patronisingly called suitable for children, but which in reality is the form in which every one reasons out a subject in his own mind, the form of question and answer.

Should those who desire, above all things, an improvement in the conditions of the labourer become Socialists?

No.

Why not?

Because Socialism, if carried out, would injure instead of benefiting the labourer.

Why would Socialism injure the labourer?
For the following reason:—If the condition of the labourers is to be improved—that is, if they are to have more food, more room in their houses, more clothes, more firing, more of everything they desire—it is evident that there must be more wealth, for these things make up wealth. But in order that there shall be more wealth, more of the things men need and desire, more must be produced. If ten men have only five loaves between them, and need one each, the only way they can get their wants satisfied is somehow or other to get five more loaves. It follows, therefore, that nothing which decreases the total wealth of the world—which diminishes the corn grown, the wool clipped, the houses built, the cotton spun, or the coal dug—can improve the condition of the poor.

If, then, Socialism would diminish the production of the things needed by mankind, it must be injurious. But would it diminish the wealth of the world, and so make less to go round?

Yes.

How?

In this way. The great stimulus to the production of wealth of all kinds is self-interest. Canadian farmers who increase the wheat-supply of the world by working hard throughout the year do not do so out of a pure and disinterested love of their fellows, but because they want to get rich and be able to spend money in the manner most pleasing to themselves. In the same way, the man who throws up a life of ease and works from morning to night till he has made an invention which will enable the manufacturer to turn out double the amount of, say, woollen cloth without increased expenditure does so because he has the incentive of self-interest before his eyes—the incentive of knowing that success will be rewarded by the fulfilment of his desires. Throughout the world the motive-power of the machinery which produces wealth, the force that makes the wheels go round, is self-interest,—not self-interest, remember, in a bad sense, but the natural and legitimate desire for reward and enjoyment which we all experience, and which I for one am not in the least ashamed of. Destroy this motive-force, give men no rewards to strive for, and each individual, unless compelled, will do no more than is necessary to keep himself from starvation. But this is exactly what the Socialist intends to do. He proposes to take away the incentive under the influence of which more and more wealth is added to the world's store. The Socialist would confiscate private property, and dole out to each individual a subsistence portion. But in order that there shall be something to dole out, the inhabitants of the Socialistic State will be compelled to work. Compulsion, in a word, will become the ultimate motive-force of the machinery of production under Socialism, just as under our present system it is self-interest. Which is likely to be the more successful? Which will have the larger product? Who is the better workman, the slave or the labourer at weekly wages? All experience shows that compulsion produces the lesser output. Convict labour, slave labour, pauper labour, and forced labour all the world over mean waste and inefficiency.

Socialism, then, based as it must be on compulsion, would diminish the wealth of the world. But if the total wealth of the world is diminished there will be less to go round, and therefore the share of each person must be less. That is, Socialism would injure instead of benefiting the poor. You will never be able to give every man on a hot day a bigger drink of water if you begin by stopping up the pipe that feeds the cistern.

Professor Smart, the distinguished Economist, objected, and rightly objected, to my use of the word self-interest in this letter. It should, he urged, have been qualified by the reminder that the self of the vast majority of men means a circle of five and a fraction. Professor Smart's point expanded is that for the majority of men self-interest in the economic sense is not selfishness, but the very reverse—care for the family, for the wife and the children and all others dependent on them.

—Yours very sincerely,

J. St. L. S.

III

"The Richer the State the Poorer the People"

DEAR MR.—,—,—People sometimes talk as if the poor could be benefited by making the State richer. They argue that if the State owned the land on which modern London and hundreds of new towns and parts of towns have been built, it would now possess millions and millions' worth of property, and that out of this property a handsome provision could be made for the poor.

No greater mistake could possibly be made, and for this reason:—.

There is only a certain amount of wealth in any particular country. Hence, whatever you place in the hands
of the State you must take away from Brown, Jones, and Robinson. You do not increase the total wealth by placing it in the hands of the State; you merely pile it up in one big heap instead of in a multitude of little heaps. If the moment you had got the wealth into the big heap you dealt it out afresh into little heaps, there might not be much to object to in theory, because you would not really be making the State rich, you would merely be redistributing property. That course would be objectionable for the following very sufficient reasons; but it would not be making the State rich. In the first place, it would be most unfair and unjust to take away property from one set of people in order to deal it round to others. And even if this objection did not exist, it would be a most unwise course to pursue, as it would cause an enormous amount of waste to collect the wealth from its present owners and then to redistribute it. The waste caused would be like that produced when first a big bucket is filled out of a number of tea-cups, and then the tea-cups are refilled out of the big bucket. The "slopping" would waste a very large percentage of the water. Besides, if people knew that the moment they got rich they would have to return their riches to headquarters and have it divided out, they would soon cease to be rich. They would say: "Why toil and save when it will do us no good? We had far better keep idle and wait till there is a new distribution of wealth." The notion, then, of merely collecting money to redistribute is absurd.

We must, however, deal with the notion of making the State rich and of keeping it rich, just as any great corporation or company remains rich. Of this notion we can say with certainty: "By making the State rich you are only impoverishing the people." As I have pointed out already, there is only a certain amount of wealth in any country. If, then, the State possesses so many hundred millions of this money, the inhabitants are so much the poorer.

But it will be argued that the inhabitants are the State. Therefore, though they are poorer individually, they are just as wealthy collectively. In one sense of the word "wealth" this is no doubt true. In another, and in the proper sense, it is not true at all.

What do we mean by being wealthy?

We mean possessing the power of controlling, using, and disposing of—that is, of enjoying—so much wealth. But we can only enjoy wealth which is our own. Wealth which is our own—ours to dispose of exactly as we choose—is a hundred times more valuable than wealth which is doled out to us in a weekly allowance. Hence such wealth as the State possesses is not enjoyed by the persons who contributed to create it. This is what our ancestors meant by objecting so strongly to land and other wealth passing into mortmain,—being held by the "dead hand" of corporations lay and ecclesiastical. They argued that wealth can be best enjoyed when held by a particular individual as his very own, and that everything should be done to prevent it passing either into the hands of the State or of those corporate bodies which hold property in the same way as the State—i.e. not individually, but collectively.

So far, so good. If I say no more, I shall be told, however, that I am omitting a very important aspect of the question. It will be said that when the State is wealthy it has to spend its money, and that, in this act of spending, its wealth passes out of the dead hands into the living, and becomes at once capable of producing enjoyment. That is, if the State out of its funds pays away a million a week in £1 doles, each recipient of the dole will get the full pound's-worth of enjoyment out of his dole. In other words, it may be argued that by first making the State wealthy, and by then doling out its wealth in wages, salaries, and allowances, the distribution of property may be equalised and the community as a whole benefited. Possibly this is true up to a certain point, but no further. The £1 State doles may go as far as any other £1; but this does not meet the fact that if the capital fund out of which the £1 doles would be paid were in private hands, instead of in those of the State, it would not only be giving far more enjoyment, but would also be being employed in a thousand ways in producing more wealth. Experience shows that the officials who look after State funds must be considered to have done well if they have not diminished those funds. They have not the motive that the private individual has to increase his little piece of property, and to make it more productive. Hence, while State wealth tends to be barren, private wealth is reproductive.

Take an example: If the State owned the factories and workshops, the great public offices controlling them would make little or no effort to extend business. They would be content to let things remain as they are. The private individuals, on the other hand, who make up a company, spurred on by the hope of more wealth to enjoy, are always endeavouring to find means of increasing their stock of wealth, and with it the stock of wealth at the disposal of mankind.

In spite, however, of this, I am willing to admit that if making the State rich, even with its consequent waste of wealth, were the only way of getting a more equal distribution of property, there would be a great deal to be said for it. As a matter of fact, however, nothing is more certain than that, if we do not waste wealth by aggressive wars, by forbidding the free exchange of commodities, and by absurd and unjust taxation, but allow as much freedom of exchange as possible, wealth will rapidly tend of itself to a more equal distribution. The inequalities under freedom tend to disappear, for, as I have said before, wealth is always tending to spread itself abroad. The maximum of freedom in the matter of exchanges, not State interference, is the short cut to a more
equal distribution of property. Accumulate vast amounts of property in the hands of the State, and we shall simply create a community of State slaves at the bottom and of comfortable but inert officials at the top. Allow, however, wealth to accumulate in the hands of individuals, and prevent its waste by State action, and we shall be on the high road to a fair distribution of property.—Yours very sincerely,

J. St. L. S.

IV

It is Impossible for Wealth to Accumulate without the Working Classes Being Benefited.

DEAR MR.———, — The Socialists often argue as if the more wealth grew, the poorer became the people. Their talk is of the land "where wealth accumulates and men decay," and those who get rich are denounced as plunderers of the people, and as persons who are taking the bread out of other men's mouths.

Yet, as a matter of fact, it can be shown beyond doubt that the creation of wealth must be beneficial to the working classes.

Now, though it will to some extent lead me to repeat the arguments I have used in my first and second letters, I want to deal with this side of the problem once more, and in somewhat greater detail.

When a man makes a large sum of money, he can do one of two things with it. He can either spend it or save it, but in either case he will benefit the working classes.

Let us suppose he spends it. In that case he buys a great number of objects which other men are anxious to sell. Some persons will directly sell him their labour. In such cases the benefit to the labourer is obvious. Others will sell him articles produced by labour. Here, again, there is an evident benefit to the labourer.

But it may perhaps be said: "Suppose the rich man spends his money in buying pictures by old masters and curiosities of various sorts, which are the result of no living labour. How will the labourer benefit then?"

The answer is, he will still benefit, though we may be one or two degrees removed from the spectacle of the benefit. That this is so can be proved by following out a transaction in pictures, old plate, or point-lace. A, the rich man, buys a picture by Tintoretto from B for £1000. No doubt if matters stopped here the labourer would not benefit. But they cannot stop here. Money is like water—flux, change, motion is the law of its being. B parts with his picture because he wants the £1000 to spend, and proceeds at once to spend it. He lays his money out in housing himself better, in buying food and clothing, and in a hundred other ways. But these ways almost all involve the employment of the labourer.

In very nearly every case, if we follow money to its ultimate destination, we find that destination to be the employment of labour. But everything which tends to the employment of labour benefits the working classes, for it means, as I have said already, competition for their services, and therefore better remuneration. Hence we may say with confidence that money spent will in one way or other benefit the labourer. No doubt some ways of spending are less wasteful than others, and therefore more beneficial, but this is a question of degree, not of kind.

We must next take the case of money saved. If the money made by the rich man is put out to interest, and the interest spent, it is obvious, as I have just shown, that the result will be beneficial to labour. Suppose, however, a case in which money is put out to interest, and that interest is saved, and also the interest of the interest,—is such a result of accumulation beneficial to the labourer?

Yes.

And for the reason given in Letter I., which I may summarise here. Capital (i.e. mobilised wealth) has its price, just as labour has. If you want capital you must pay the market price for it. But we all know that the more there is of a thing in the market, the more the price tends to fall. Hence the more capital accumulates, the lower its price. But the price of capital is reckoned by the rate per annum at which it can be hired—i.e. the rate of interest. Hence the accumulation of capital tends to lower the rate of interest.

But how is this good for the labourer? In this way. Capital is primarily used to employ labour. If a manufacturer desires to build a mill which will give employment to hundreds of workmen, he has to obtain capital with which to set up his establishment. Now whether he can work his mill at a profit depends upon the amount he will have to pay for the hire of his capital. If he can get it cheap, the mill will succeed. If, however, he has to pay dear for it, the mill cannot be started. Hence the employment or non-employment of a large
number of persons depends upon capital being cheap—*i.e.* the rate of interest being low.

But it has been shown that the accumulation of wealth—*i.e.* saving—makes the rate of interest low; that is, makes capital cheap.

Therefore "saving" as well as "spending" benefits the labourer. It follows, then, that the accumulation of wealth must always in one way or other benefit the labouring classes.

Perhaps it will be said that there is a third case which I ought to have touched on, the case where men neither spend nor put their money out at interest, but hoard.

How does this, it may be asked, benefit the labourer?

Possibly it does not benefit him as long as the hoarding is maintained, but the number of cases in which hoarding takes place in a civilised country is too small to make it worth mentioning. In any case, the moment the hoarding ceases and the money is spent or put out at interest the arguments just given apply.

What happens when money is in "the stocking" is simply this. So much circulating medium is withdrawn from the world and the stock of the precious metals in use is proportionately reduced. That is the result of hoarding while it lasts. Otherwise nobody is either benefited or injured, and things remain as they were.—Yours very sincerely,

J. St. L. S.

**V**

**Socialism in Practice**

DEAR MR.—,—I have no doubt that you, like most other people who inquire into the question of Socialism, and who set forth the arguments against it, are met with the objection: "We are tired of abstract reasoning. Have you got anything practical to show why Socialism should not be tried? Things are so bad that it is worth trying any experiment to set them right."

In the first place, I deny that things are so bad that they could not be worse, and that anything is better than going on as we are. God forbid that I should deny that there is a terrible amount of misery in the world, or that I should say a word against those who are consumed with a passionate longing to make things better. You, at any rate, know me well enough to believe me when I say that if I thought Socialism would cure the ills that make the world so dark, I should be a Socialist to-morrow.

I oppose Socialism, as you know, not because I think the present state of things perfect, or even satisfactory, but because I am convinced that Socialism would make things infinitely worse than they are at present, and increase, not relieve, the miseries of the poor. I am no more content than are the Socialists with things as they are, and I most earnestly desire that they should be made better, and would gladly consent to any and every pecuniary sacrifice demanded by the Socialists if I thought that such sacrifices would provide a remedy.

When a man is ill the doctor is often urged to try some quack medicine which he knows must make the patient's condition far worse. If he is an honourable and honest man, he will refuse to administer the remedy, however great the pressure put upon him, and however often he is told that the patient prefers to run the risk. Though he may have to admit that the cure he recommends will at the best be slow and painful, and that there is always the possibility that the patient, by refusing to follow his advice thoroughly, will repeatedly lose the ground he has gained and throw himself back into as bad a state as ever, he still refuses to agree to a remedy which must make matters worse. That is exactly the position which those who feel as I do must take up when we are urged to try Socialism as a last chance. Convinced that it is no chance at all, we should be eternally dishonoured if we did not protest against the proposals of those who desire to adopt it.

No doubt the temptation to shrug one's shoulders and let the nation receive the sharp lesson it would certainly receive if it plunged into Socialism is sometimes very great. Nevertheless it must be resisted. Thus, though I have little fear of Socialism hurting me individually, even though it must deeply wound the poorer part of the community, it is a duty to combat it with all the power at my command.

But perhaps it will be said that here again I am using abstract arguments, and not answering the appeal to practice. I can assure you that I do not dread this appeal. The schemes of the Socialists are not only not new in theory, but have already been tried and found wanting. I admit that the Socialists are entitled to say that never
yet has the Socialistic system in its entirety been applied in any State, ancient or modern, with the possible exception of ancient Peru under the Incas. There everything from the land to the domestic animals was held by the State—that is, by the Incas—and the whole population were State slaves, owning no property, and depending upon the orders of officials for every act of life. But though State Socialism has not been established in its entirety under modern conditions, Socialistic legislation such as the Socialists now recommend has been adopted, and with the most disastrous results. Take, for example, the measures which the Socialists now demand for dealing with the unemployed. Their proposal is that the State should undertake to find work for all those who cannot find it for themselves, and to pay for such employment at a rate which will secure a decent living. We who are opposed to Socialism say that the result of such legislation, if persisted in, would be national ruin, and we have a right to say this because we can point to what happened when a similar method of dealing with the unemployed was tried in Paris during the Revolution of 1848, was tried for the same reasons which are now given, and, further, was tried on a large scale and by men who honestly believed in the experiment, and were anxious to make it a success. What the results of that experiment were I will describe in another letter.—Yours sincerely,

J. St. L. S.

VI

The National Workshops of 1848

DEAR MR.——,—I want to state shortly what happened in Paris in 1848. On 25th February 1848—just sixty years ago—the Provisional Government of the French Republic issued a decree binding itself "to guarantee work to every citizen." On the following day another decree, issued in the name of the French people, ordered the immediate establishment of national workshops. Here, then, was the "right to work" made part of the law of the land. What was the result? Complete failure. Let me quote Victor Hugo, an ardent Republican, as a witness to the truth of what I say. In a speech made by him in the National Assembly he used these words: "The national workshops have proved a fatal experiment. The wealthy idler we already know well; you have created a person a hundred times more dangerous both to himself and others—the pauper idler.... At this very moment England sits smiling by the side of the abyss into which France is falling," Hardly less emphatic was the Report of the Commission appointed by the French Government to inquire into the subject. While compelled to recommend the expenditure of further enormous sums of money, it felt bound to admit that the Revolution, by treating the workmen of Paris like spoilt children, had been the cause of a change in their character "which makes every one now dread the excesses of which they may be guilty." At last the charge of the national workshops on the community, and their failure to do what they set out to do, became so complete that to save the State from bankruptcy they had to be abolished. Naturally the men who had been taught to look to the State, and not to their own exertions, for their living resented the abolition of the "right to work," or rather the right to wages—for that is what it had become—as unjust, and rose in insurrection, and there were four days and nights of such street-fighting as the world has never seen before or since. Twelve thousand men were killed outright, a number almost as great as that of those who fell at Waterloo.

I know, of course, that the Socialists who read this will not admit that the experiment was fairly tried, and will say that it proves nothing. That is the kind of answer often made by men who refuse to admit evidence which is disagreeable to them. They will also probably declare that the great public workshops were organised, not in order to carry out the ideas of Louis Blanc and the Socialists, but with a contrary intent, and in order to ruin his and their influence with the French people. This reading of history I do not admit; See Appendix B.

but even if the great national workshops are rejected, I can quote a different experiment tried under different conditions which proved equally disastrous. Louis Blanc, a convinced Socialist and a perfectly honest man, who was one of the members of the Provisional Government, conducted a special experiment of his own in the matter of national workshops, where it cannot be denied that he had an entirely free hand. He was allowed to organise the tailors of Paris in the Hotel Clichy, which was converted from a debtors' gaol into a great national tailors' shop. As to what happened there I can quote the special correspondent of the Economist newspaper, who, if I mistake not, was Mr. Bagehot, a man of exceptionally clear brain and impartial judgment. He tells us that the experiment began with special advantages. The Government furnished the capital without interest, and gave an order for twenty-five thousand uniforms for the National Guard. Eleven francs for each
uniform was the usual contractor's price, a sum found sufficient to provide the profit of the master tailor, remuneration for his workshop and tools, interest on his capital, and wages for the workmen. The Government gave the fifteen hundred organised tailors the same price. The Government also agreed to advance every day a sum of two francs for each man as subsistence-money. When the contract was completed the balance was to be paid and equally divided amongst the men.

The correspondent of the Economist saw the men at the Hôtel Clichy at work, and the foreman told him that, notwithstanding the law limiting the hours of labour to ten, "the principle of glory, love, and fraternity was so strong that the tailors worked twelve and thirteen hours a day, and the same even on Sundays." One would have imagined that this enthusiasm would have proved quite as great an incentive to work as does self-interest, or, as Professor Smart has pointed out that I ought to say, interest for wife and children. Yet, strange as it may seem, enthusiasm and love of the State could not avail to make the wheels of production go round. When the first order was completed, instead of the Government finding that they had paid eleven francs per uniform, they found that they had paid no less than sixteen francs. While the master tailor would have made a profit, paid his rent, the interest on his capital, wages a good deal higher than two francs a day, and only charged the Government eleven francs, the national workshops, with all their advantages, had added nearly half as much again to the total cost. The correspondent of the Economist ends his account of the experiment with the significant words: "Louis Blanc is not a match for the master tailors of Paris."

I am bound to say that the failure here always strikes me as very remarkable. One would have thought that if ever a Socialistic experiment was to succeed, it would have been in Paris in 1848; for the whole of the working population was filled with an enthusiasm for Socialistic ideas such as is without parallel even in the history of France. Again, they were making necessary uniforms for the soldiers of the State. Yet even with all these advantages and incentives Socialism could not do as well in the matter of production as the humble and despised principle of voluntary effort. In truth, the history of State-supported labour is the same all the world over. Under the old Poor Law, parish farms, as they were called—farms taken by the parishes, in which the unemployed were set to work at a subsistence wage; in fact, small agricultural experiments in carrying out the Socialist principle of the "right to work"—were fairly common in many parts of England. The result of these experiments was almost always the same. The land produced little or nothing, and the workers became rapidly demoralised, and failed to do the amount of work which they would have done under ordinary employment.

Perhaps it may be said that I have only given you examples of failure under the "right to work" either in France or two generations ago in England. Very well. I will cite a more modern instance. In 1893 Mr. Shaw Lefevre, as Commissioner for Public Works, arranged to pull down a part of Millbank Prison by means of the unemployed. The report of the surveyor who superintended this work is most significant. When these men worked with the knowledge that their pay would vary according to the work done, they did twice as much as when they knew that whether they worked or idled their pay would be 6½d. an hour. While the cost of cleaning and stacking bricks by the unemployed, acting as the pensioners of the State, averaged from 12s. to 13s. a thousand, the same men when employed under a system of piecework managed to earn considerably higher wages than before, although the rate agreed on was only 7s. a thousand. Here is the root of the matter. Labour done under the conditions which, however much the Socialists may deny the fact, would be bound to prevail under Socialism is infinitely less productive than labour under the voluntary system. But here we come back once more to the crux. If the product of Socialism is to be so much less, how is it possible that every one is to have more of the good things than they have at present?—Yours very sincerely,

J. St. L. S.

VII

The State and the Individual

DEAR MR.—I hope you will not suppose, because I offer so strong an opposition to Socialism, that I am an Individualist run mad, and that I think there is no function for the State. Nothing could be farther from my desire than to think meanly of the State, or to hold the foolish heresy that the State has nothing to do but look after our drains, make our roads, and perform a certain number of useful offices of that sort. I believe, instead, that to the State we owe a great devotion, and that Wordsworth was perfectly right when he said that an Englishman should feel towards his country as "a lover or a son." To my mind, there is no virtue greater that patriotism, nor is any man to be more honoured than he who is willing to sacrifice himself to the good of his
country.

I want men not to have a parasitic feeling towards the State, or to regard it as something which is bound to shower benefits on them, but rather as something to which they owe a debt of work and devotion, and for which they must do service, in many cases without any thought of reward. As a student and observer of human nature, I am sure you will agree with me that the State—that is, our country, our Motherland—will not be less loved because it asks for sacrifices instead of conferring benefits. It is one of the noble paradoxes of human nature that we love best those whom we help and cherish, not those from whom we receive rewards and favours. All experience shows that parents love their children best when those children are weakest and are demanding most from them, not at the time when they expect and are obtaining help from their children. Again, it is notorious that the time when the children are fondest of their parents is when, in the phrase of Pope, they "rock the cradle of declining age," and not when those parents are in health and wealth and vigour, and have no need to lean on their offspring. In the same way, I am sure we shall foster and secure the love of one's country by asking for sacrifices, not by scattering pecuniary doles.

Do not think, then, that in opposing further extensions of State action, and in desiring that such action, when necessary, shall be kept within strict bounds and limits, I am aiming a blow at the State. I am helping to establish it on the only firm base. Again, I hope you will not think that I imagine that it is possible in any modern community to do without a good deal of State action. I am fully aware that there are certain things, as, for example, the work of the Post Office, which can best be performed by the State, and also that in a country with a history like England's the State must assume a good deal of responsibility for the poor. I fully assent to the proposition that it is the duty of the State to see that no man or woman dies of starvation if it can possibly prevent it.

Burke said that he preferred a Monarchy to a Republic, because it was easier to engraft upon a Monarchy the advantages of a Republic than to engraft on a Republic the advantages of a Monarchy. In the same way, I say that, though in the modern State there must be a certain amount of State action, I prefer a State based, in the last resort, upon Individualism to one based upon Socialism, because we can much more easily engraft upon an Individualistic State some of the advantages of Socialism than engraft on a Socialistic State some of the advantages of Individualism. Indeed, so absorbing is the nature of Socialism that you cannot in reality engraft any of the advantages of Individualism on a truly Socialistic State. The graft would not prosper, but would wither away.

To put the matter into practical shape, I would always rely, where I could, on individual action. If, however, in particular cases it can be proved that the public interest can be better served through State action than by leaving it to the individual, then, but only then, let us have recourse to State action. In other words, every Socialistic proposal must be considered on its merits, adopted if it can be shown to be sound, but rejected if the case has not been fully made out.

You remember the Irishman who said that he had too great a respect for the truth to be dragging her out on every paltry occasion. In the same way, I have too great a respect for the State to be bringing it into action for minor and unsuitable considerations. State action must be restricted to great and appropriate occasions. —Yours very sincerely,

J. St. L. S.

VIII

The Family

Dear Mr.——,—Hitherto I have dealt chiefly with the economic side of Socialism. I want now to turn to another aspect. People sometimes talk as if the only object of the Socialists was to destroy private property—that is, as if from the Socialist point of view private property were the sole enemy. That is a great mistake. Socialism involves not only the destruction of private property, but quite as certainly the destruction of the family. When I say this, please do not think that I imagine that any great number of Socialists deliberately desire to destroy the family. On the contrary, I am convinced that the majority of them are perfectly sincere when they declare that nothing is farther from their thought, and that they desire and intend, quite as strongly as their opponents, to maintain the family. Unfortunately, however, mere good intentions are not of very great service in this matter. What we have to consider is not what the Socialists intend, but what will be the ultimate result of their system. Now I say unhesitatingly that it is quite impossible to establish Socialism, or to carry out
the schemes which the Socialists tell us are necessary to bring about the reign of Socialism, without the destruction of the family.

My first proof of this is that the clearest thinkers among the Socialists of ancient and modern times—the men who by the aid of reasoning and analysis have thought out what would happen under Socialism—have been obliged to recognise that it could not be maintained without the destruction of the family. No human being was ever possessed of a clearer brain than Plato, and no man ever thought a thing out to its final conclusion more clearly or squeezed more thoroughly the intellectual sponge. When he came to set forth his ideal Socialist Republic, Plato saw that the abolition of the family was essential if his State was to have a secure foundation. He would not even leave the vestige of a foundation upon which the family might be re-created lest it should ruin his fabric. The most elaborate precautions are taken in the ideal community whose laws are set forth by Plato that no man shall know his father or his mother, his brothers or his sisters; and, again, that no father and no mother shall ever know their children. Family ties are to be severed almost from the moment of birth. Aristotle, the other great Greek thinker who followed Plato, noted this fact, and realising how essential it was to blot out the family in order to create a community such as that described in the Republic, asserted that the whole scheme must fail because it would in fact be found impossible to destroy the family. He somewhat quaintly predicted that owing to family likenesses fathers and mothers would recognise their offspring in the children of the State, and that in the family ties thus based on guesswork would be found the little rift within the lute which would in the end destroy the complicated mechanism of Plato's State.

Though Aristotle's criticism was acute and interesting, I am afraid that the family is not quite so hardy a plant as he imagined. The family, or at any rate what is worth preserving in the family, can, I fear, be destroyed far more easily than by the drastic proposals made in the Republic. Even without the obliteration of the knowledge of fatherhood and motherhood—which, of course, I fully realise is not now proposed by any Socialist—State Socialism may ruin the family past repair. By doing the whole work of the family, and undertaking all but the physical offices of parentage, the State will in fact destroy the family. Those, therefore, who believe the family to be essential to a sound and healthy State must withstand that undermining of the family to which Socialism is now unconsciously directing its efforts.

Let me ask you to remember that a limb may be destroyed just as well by depriving it of its proper uses as by cutting it off. If you take a man's arm and bind it so tightly that the blood cannot circulate or the muscles be used, you will in a short time destroy it past all repair. The only difference between that and amputation is that the process of destruction is somewhat slower. The attack on the family by the Socialists is at present made up of three different proposals:—(1) Old-age pensions; (2) the State feeding of schoolchildren; (3) the so-called endowment of motherhood. These three proposals I propose to discuss in order in future letters.—Yours very sincerely,

J. ST. L. S.

IX

Old-Age Pensions—Cutting-Down Schemes

DEAR MR.—,—The schemes for old-age pensions assume many forms, but I will deal with what is apparently going to be the basis of the Government's plan, or at any rate the ultimate outcome of that plan, which is a non-contributory pension of 5s. a week for all men and women after sixtyfive. The first point to be noted is the cost. Universal old-age pensions of 5s. weekly at sixtyfive mean an expenditure of thirty millions a year by the State. It is hardly to be wondered at that all except avowed Socialists are appalled by such a figure. In order to avoid a scheme so ruinous as this, great efforts have been made to suggest plans by which the number of pensioners may, to begin with at least, be cut down, while at the same time the universal and non-contributory principles may be maintained in appearance. Which of these cutting-down plans will be adopted by the Government is at present unknown, but I should like to draw your attention to one or two of them to show the tremendous difficulties in which men find themselves when they try to adopt Socialism "on the cheap." One proposal is that no one who now receives a pension of more than 10s. a week from the State, or has indeed an income of more than 10s. from any source, should be eligible for the aew old-age pensions. That is, Civil servants, whether employed by the central or local Government, policemen, soldiers, and sailors in receipt of pensions are to be struck off the list. A moment's reflection must show the extreme injustice of any such scheme. The existing State pensioner will be able to say, and with perfect truth: "It is most unjust to
deprive me of the 5s. a week which you are giving to persons who have spent their lives in private employment. My pension is in reality not a pension at all, but merely deferred pay. I made a bargain with the State to do work for it, and under that bargain a bit of my wages was to be kept back every week and given to me in the latter part of my life, and after my active work was done. The fact that my pension is really only part of my wages is acknowledged by the Government themselves, for in most cases it is actually called deferred pay, and in all cases it is deferred pay and nothing else. Look at the cases of my brother Jack and me. He went into private employment and earned far better wages than I did, but had no promise of a pension. I took lower wages because I was to receive a pension after thirty years’ service. Out of his higher wages Jack saved money and invested it in buying two small houses, and he is now getting £26 a year with the money he saved. Yet, now we are both sixty-five, the State is going to give him 5s. a week, and going to give me nothing because I was fool enough to leave my savings in the hands of the State, and because my pension is 12s. a week. It is a cruel injustice to me."

Another method of cutting down the pension list is the suggestion that nobody is to have the money unless he or she applies for it every Monday morning in person at the local pension office. It is supposed that these disagreeable conditions will prevent persons in the middle and upper classes from claiming their money. They will not like, it is said, to stand in a line every Monday among their poorer neighbours waiting for their turn at the pension window. Now I venture to say that this plan for cutting down the pension-list will end in nothing. It might last for five or six years, but very soon people would begin to say that it was a monstrous shame to expose poor men to the discomfort of asking for their pensions in person, that many of them, old and feeble, had to stand out in the rain, and that therefore they ought to be allowed to send a substitute to fetch the money, or else the Government should send it to them by post. But the moment pensions collected by substitutes or sent out by the post are legalised practically everybody would claim his pension. Those who did not want the pensions for themselves would be certain to be besieged by charities and other institutions who would say: "If you will kindly assign to us your old-age pension, we will send a substitute to collect it for you, or receive it for you through the post." As no question of pride would come in here, we may be sure that such appeals would not be made to deaf ears.

Well-to-do men would no doubt explain that they did not take the old-age pension for themselves, but gave it to the parish church or the village hospital, or whatever their pet charity might be. I, for example, should certainly assign my pension to the parish rifle club, if parish rifle clubs are still allowed to exist when I am sixty-five. In any case, the pensions would all be drawn.

I must defer to next week an examination of yet another scheme for cutting down the list.—Yours very sincerely,

J. St. L. S.

**Old-Age Pensions Again**

**DEAR MR,—,**—Another scheme for cutting down old-age pensions was suggested by the *Nation* last summer. It is that no man or woman should be allowed to claim his or her old-age pension if he or she is earning 5s. a week or over. If they are earning less they are only to be allowed such a pension as would make up their earnings to 5s. a week. The object of this proposal is to prevent what otherwise would certainly happen—the lowering of wages through old-age pensions. If an old couple, each sixty-five, were together getting 10s. a week through pensions and were still active, it is obvious that they could and would be willing to take lower wages than they do now. For example, the man might be willing to work at 10s. a week, and, though he might be somewhat feeble, it is quite conceivable that an employer might find it worth his while to have two men over sixty-five working in his garden for 10s. a week each, rather than one able-bodied man at £1 a week.

According to the *Nation*’s plan, then, idleness would be one of the essential conditions under which men and women would get their old-age pensions. The *Nation* significantly adds that a somewhat elaborate system of inspection would be necessary to enforce this rule. I certainly think it would. A whole army of inspectors, male and female, would always be looking over hedges or through doors to find out whether old Mr. Brown or old Mrs. Smith were not surreptitiously earning a little money, and if he or she were, would be reporting them to the pension authority and getting them struck off the list. If the old people persisted in claiming their pensions under false declarations, they would, of course, have to be fined or imprisoned for perjury. Though I
fully realise the logical necessity for such a proposal, it is to my mind most harsh and odious. We all know how intolerable idleness is to the majority of men and women who have earned their bread by hard work. Unless they are born idlers, they cannot be happy unless they are doing something in their old age. Under the Nation scheme, however, they would either be bribed into an unnatural idleness or else tempted into deceiving the State by false declarations. Depend upon it, a scheme so contrary to human feeling would never stand. In a very short time the premium on idleness, and the hosts of spies and inspectors trying to find out if old-age pensioners were earning money, would be swept away in a storm of popular indignation.

Before I leave the subject I must say a word as to an assertion often made—namely, that old-age pensions are a natural and proper charge upon the community, because their recipients have had no chance of making provision for themselves. To this declaration I give the most absolute denial. It is perfectly possible for an ordinary working man to make provision for his old age, and to make it without any intolerable sacrifice. It has been calculated that any working man who so desires may obtain an old-age benefit of 5s. a week at sixty-five in a Provident Society if from the age of twenty-one to sixty-five he makes a payment of 2½d. a week. That is, if on one day in the week he will give up, say, a pint of beer he may make provision for his old age. I note also that it was stated last summer by the permanent secretary at a meeting of the Ancient Order of Foresters that the extra contribution in the Foresters required to give 5s. a week at seventy would be only ¾d. a week beginning at eighteen years, 1d. at twenty-four, and 1¼d. at twenty-eight. That, I think, is a sufficient answer to the objection I have noted. I may add, however, that actual instances can be cited where even the most poorly paid men in the country—that is, agricultural labourers—have provided themselves, notably in the Dunmow Friendly Society, with old-age pensions purely through their own efforts and without any Government help.

Do not think, because I write strongly against State-provided, non-contributory old-age pensions, that I do not realise the benefits obtained through old-age pensions. I should like to see all men and women past sixty-five in possession of a pension. I should like to see all men and women past sixty-five in possession of a pension. But I hold that they should provide it for themselves, and that we must not place this staggering burden on the State. I should not, again, object to a well-devised scheme of compulsory insurance against old age. What I protest against is imposing on the taxpayer a burden which will ultimately reach £30,000,000 a year. Remember, the taxpayer on whom the chief burden of taxation falls is always the working man.—Yours very sincerely,

J. St. L. S.

XI

State Feeding of Children and the Endowment of Motherhood

DEAR MR.—,—The next point in the attack on the family with which I want to deal is the feeding of school-children. I am sure that the universal feeding of school-children, advocated by the Socialists, and also by many well-meaning but uninstructed philanthropists, would be to open an academy of pauperism in every elementary school in the country. Superficially, no doubt, a certain case can be made out for feeding schoolchildren. What is the use, it is said, of pouring knowledge into the brains of children who are so weak from want of food that they are totally unfit to make the mental exertion required of them by their teachers? It is mere waste of money to teach starving boys and girls. Therefore, in order not to throw away the expensive lessons provided by the State, the State must feed the children, and so make them capable of taking advantage of the education it provides. In theory, as I have said, this is well enough. No man can help being deeply moved by the idea of small children trying to work when weak and faint from want of nourishment, and I, and all other antiSocialists of whom I have ever heard, would be perfectly willing, in the case of children who are starving and whose parents are unable to provide them with food, to give the necessary food. When, however, we study the facts at first hand, we find that the proposition is not, in fact, presented to us in this way. The really starving children are already provided for by the existing Poor Law. There are, of course, besides, a certain number of children who are neglected by parents who are perfectly well able to feed them. But here the remedy is not for the State to feed the children, but for the State to force the parents to do their duty. I have not only no objection to all parents guilty of such gross misconduct being prosecuted and severely punished for neglecting to keep their children properly fed and clothed, but should immensely like to see them suffer for their crime, for it is nothing less.
I should like to quote some facts to show you how absurd it is to imagine that the teachers are competent to look round the benches at a school and, when certain of the children are seen to look ill and badly nourished, to assume that their parents are unable to feed them. A year or two ago, the Education Committee of the Board of Guardians of the city of Leeds received from the teachers in the elementary schools the names of three thousand children who were declared to be underfed. Thirteen hundred and forty-seven of the children on this list were accordingly visited by special officers of the Guardians in order to ascertain the facts. After carefully considering the reports, the Committee decided that six hundred and ninety of these were "No case"—were, that is, not the children of parents too poor to feed them. The decisions were based on facts such as are exemplified in the following three cases:

(a) Man, wife, and two children.—Teacher's report: "Temporarily incapacitated from feeding children." Officer's report: "Man earning regular wage, £1: 13s.; wife, a weaver, earning 16s.; total, £2: 9s. Man in Engineers' Society and lodge."

(b) Man, wife, and four children.—Teacher's report: "Temporarily incapacitated." Officer's report: "Man's regular wage, £3: 10s.; daughter earning 18 s.; total, £4: 8s."

(c) Man, wife, and six children.—Teacher's report: "Apparently urgent." Officer's report: "Man employed by Corporation at regular wage, £1: 18s.; son and two daughters earning 19s.; total, £2: 17s. Man in lodges and trade society; children well fed; home clean; exceptionally thrifty parents and contrivers."

Remember this is by no means an exceptional experience. Boards of Guardians in other parts of the country have made similar inquiries with similar results. But if in spite of these warnings we insist upon feeding all school-children, or even all school-children who look badly fed and whose parents we guess to be destitute, we shall very soon create plenty of bona fide cases where the parents are unable to feed the children. Let us never forget that one of the reasons which make men and women overcome their natural desire for idleness is their determination to provide for their children. The love of their children and the duty of feeding them act as incentives not only to work and thrift, but to morality and self-restraint.

I can best illustrate the injury done to the family and family life by free meals to schoolchildren by quoting an authentic story which I have quoted on several occasions before. A widow in an East End parish said to the vicar's wife: "I'm glad, ma'am, that this free feedin' of schoolchildren didn't come in till mine was grown up."

The clergyman's wife, somewhat surprised by this remark, asked for an explanation. "Well, ma'am, you see it's this way. My husband was a drinkin' man, but he was very fond of the children, and if it hadn't been that he was obliged to find something for them he'd have been ten times worse than he was."

In other words, the wife, although no social philosopher and no political economist, had realised the enormous influence of responsibility for the family in keeping the husband within the bounds of social duty, and in preventing him from returning to that brutish isolation from which the institution of the family has, with such pain and difficulty, rescued mankind.

Mrs. Bosanquet, whose name must be honoured wherever men are gathered together determined to maintain the strength of the people and to resist attacks upon the family, has told another story which illustrates the tremendous influence exercised by family ties, and shows how unwise are those who, by schemes for feeding children, endowing motherhood, and relieving children of the care of aged parents, would deprive the institution of all its work. She tells us that while talking to a mother apparently terribly hindered in her work by the children who clung to her skirts, the remark came naturally: "They must hinder your work very much?" "I'd never get through my work without them," was the instant rejoinder. Here again that which made the woman a self-respecting member, or perhaps I should say the essential pillar, of society was a deep sense of the sacredness of family life. Let no one suppose that State action will provide springs of life so strong and so ennobling as these.

If neither father nor mother is to feel any necessity to feed their children, what sort of citizens are we likely to get? Miss Loane in one of her admirable books partly answers this question when she records a conversation between two women, one of whom was remonstrating with the other for the neglect of her children. The mother arraigned for neglect over the garden wall clinched the argument by screaming out: "As long as the Salvation Army '11 feed my children, I won't."

I come next to the proposals for the endowment of motherhood. The plan proposed by that eminent Socialist, Mr. Sidney Webb, is for the State to give as it were a capitation-grant for children, while the mothers are to be helped in their hour of need by a handsome contribution by the State. Here again at first sight nothing would seem more reasonable or a better object for State aid. I, at any rate, should feel immensely attracted towards the scheme if we could help the mothers without pauperising the fathers. Unfortunately, however, it is impossible for the State to shower its bounty upon mothers without taking away from the husbands and fathers responsibilities which it is for their good and for the good of the State should be maintained. The fact that a man has to work to keep his wife, and to provide her with comforts during her confinement, and that he also has to provide for the young and helpless child in its mother's arms, has upon the
father the most beneficial effect. Once teach him, however, that this is not his business, and that the State will
look after his wife and his children, and he becomes a demoralised man. The endowment of motherhood, in a
word, though it sounds so kindly a proposal, means merely relieving the man of duties which it is immensely to
his advantage to carry out. A man prospers morally, not through the duties he avoids, but through those he
performs.

I know you are a reader of Kipling. Do you remember the striking poem about the Kaiser's Rescript, and
the discussion of the proposal that all nations should agree to a law preventing any man from working for more
than eight hours a day? When an English working man speaks at the Conference, this is what he says:

And a British delegate thundered: "The halt and the lame be blown,
I've a crib in the South-West workshops, and a home in the Wandsworth Road;
And till the 'Sociation has footed my burial bill
I'll work for the kids and the missis. Pull up?—I'll be damned if I will."

That is the true spirit. That is what makes the nation strong. But be sure that spirit will not last if we tell
men that they need not endow motherhood, but that the State will do it for them.—Yours very sincerely,

J. ST. L. S.

XII

The Old Poor Law

DEAR MR.—,—I want to draw your attention to a fact too often forgotten. It is that we have tried, and
tried very thoroughly, a system of State Socialism in England, and that it was a complete and disastrous failure.
Under the old Poor Law, or let us say the latest developments of the old Poor Law, which existed roughly
between the years 1800 and 1834, we had experience of an almost complete Socialistic system. The inhabitants
of a parish till 1834 had an absolute claim upon the community for their support. Every man and woman in a
parish could sing the pauper's song:

Then drive away sorrow and banish all care,
For the State it is bound to maintain us.

There was State endowment for the old, State endowment for the unemployed, and State endowment for
motherhood. The more children a woman had, whether born in wedlock or not, the more she received at the
hands of the State. The begetting of the children was, as it were, the only function left to the father. Unless the
father was particularly anxious to sacrifice himself to his offspring, his duties were performed by the
community, with the result that there was a frightful increase in illegitimate births. Nothing comes out more
strongly in that wonderful book, the Report of the Poor Law Commission of 1834, than the destruction of
family life and family ties which was accomplished by the indiscriminate Poor Law relief of those days. I had
best, however, quote the actual words of a notable passage in the Report of the Commissioners which deals
with the appalling effect on family life and family feeling caused by indiscriminate poor relief:

The worst results [of the old Poor Law system of indiscriminate outdoor relief], however, are still to be
mentioned. In all ranks of society the great sources of happiness and virtue are the domestic affections, and this
is particularly the case among those who have so few resources as the labouring classes. Now, pauperism
seems to be an engine for the purpose of disconnecting each member of a family from all the others; of
reducing all to the state of domesticated animals, fed, lodged, and provided for by the parish, without mutual
dependence or mutual interest.

"The effect of allowance," says Mr. Stuart, "is to weaken, if not to destroy, all the ties of affection between
parent and child. Whenever a lad comes to earn wages, or to receive parish relief on his own account (and this,
we must recollect, is at the age of fourteen), although he may continue to lodge with his parents, he does not
throw his money into a common purse and board with them, but buys his own loaf and piece of bacon, which he
devours alone. The most disgraceful quarrels arise from mutual accusations of theft; and as the child knows
that he has been nurtured at the expense of the parish, he has no filial attachment to his parents. The
circumstances of the pauper stand in an inverted relation to those of every other rank in society. Instead of a
family being a source of care, anxiety, and expense, for which he hopes to be rewarded by the filial return of
assistance and support when they grow up, there is no period in his life in which he tastes less of solicitude, or in which he has the means of obtaining all the necessaries of life in greater abundance; but as he is always sure of maintenance, it is in general the practice to enjoy life when he can, and no thought is taken for the morrow. Those parents who are thoroughly degraded and demoralised by the effects of 'allowance' not only take no means to train up their children to habits of industry, but do their utmost to prevent their obtaining employment, lest it should come to the knowledge of the parish officers, and be laid hold of for the purpose of taking away the allowance."

Mr. Majendie states that at Thaxted mothers and children will not nurse each other in sickness unless they are paid for it. Mr. Power mentions the following circumstance as having occurred at Over, Cambridgeshire, a few days before his visit: "A widow with two children had been in the receipt of 3s. a week from the parish. She was enabled by this allowance and her own earnings to live very comfortably. She married a butcher. The allowance was continued. But the butcher and his bride came to the overseer and said, 'They were not going to keep those children for 3s. a week, and that if a further allowance was not made they should turn them out of doors and throw them on the parish altogether.' The overseer resisted. The butcher appealed to the bench, who recommended him to make the best arrangement he could, as the parish was obliged to support the children."

"Those whose minds," say Messrs. Wrottesley and Cameron, "have been moulded by the operation of the Poor Laws appear not to have the slightest scruple in asking to be paid for the performance of those domestic duties which the most brutal savages are in general willing to render gratuitously to their own kindred. 'Why should I tend my sick and aged parents, when the parish is bound to do it? Or if I do perform the service, why should I excuse the parish, which is bound to pay for it?"

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"At the time of my journey," says Mr. Cowell, "the acquaintance I had with the practical operation of the Poor Laws led me to suppose that the pressure of the sum annually raised upon the ratepayers, and its progressive increase, constituted the main inconvenience of the Poor Law system. The experience of a very few weeks served to convince me that this evil, however great, sinks into insignificance when compared with the dreadful effects which the system produces on the morals and happiness of the lower orders. It is as difficult to convey to the mind of the reader a true and faithful impression of the intensity and malignancy of the evil in this point of view, as it is by any description, however vivid, to give an adequate idea of the horrors of a shipwreck or a pestilence. A person must converse with paupers, must enter workhouses, and examine the inmates, must attend at the parish pay-table, before he can form a just conception of the moral debasement which is the offspring of the present system; he must hear the pauper threaten to abandon his wife and family unless more money is allowed him—threaten to abandon an aged bedridden mother, to turn her out of his house and lay her down at the overseers door, unless he is paid for giving her shelter; he must hear parents threatening to follow the same course with regard to their sick children; he must see mothers coming to receive the reward of their daughters' ignominy, and witness women in cottages quietly pointing out, without even the question being asked, which are their children by their husband and which by other men previous to marriage; and when he finds that he can scarcely step into a town or parish in any county without meeting with some instance or other of this character he will no longer consider the pecuniary pressure on the ratepayer as the first in the class of evils which the Poor Laws have entailed upon the community."

I mean in another letter to give you some further proof from the Report of 1834 of the terrible evils caused by the Socialism of the old Poor Law.—Yours very sincerely,

J. S. T. L. S.

XIII

The Old Poor Law (continued)

DEAR MR.— — Another method of estimating the demoralisation caused by the absolute right to relief conferred by the old Poor Law is to be found in noting the difference between the independent labourers, as they were called, and the labourers who had a right to parish relief. As you perhaps know, a man could only claim relief from his own parish. In order to make good that claim he had to show that he possessed what was called a settlement in the parish. A certain number of men, from various causes, such as having gone to other parts of England, lost their settlement, and so their claim upon any particular parish. They had therefore to rely upon their own efforts. The difference between such men and those who possessed the indefeasible right to
relief was enormous. Several witnesses before the Poor Law Commission of 1834 declared that they could tell those who were called independent labourers by the mere look on their faces, by the appearance of their families, or even by their houses—a striking illustration of Gray's famous line—

*And read their history in a nation's eyes.*

Here is a striking piece of evidence comparing the independent labourers and the able-bodied paupers:—

"Have you ever compared the condition of the ablebodied pauper with the condition of the independent labourer?"—"Yes. I have lately inquired into various cases of the labouring poor who receive parish relief; and, being perfectly acquainted with the cases of paupers generally, the contrast struck me forcibly. In the pauper's habitation you will find a strange show of misery and wretchedness; and those little articles of furniture which might by the least exertion imaginable wear an appearance of comfort are turned, as it were intentionally, the ugliest side outward. The children are dirty, and appear to be under no control. The clothes of both parents and children, in nine cases out of ten, are ragged, but evidently are so for the lack of the least attempt to make them otherwise; for I have very rarely found the clothes of a paUPER with a patch put or a seam made upon them since new. Their mode of living, in all cases that I have known (except and always making the distinction between the determined pauper and the infirm and deserving poor, which cases are but comparatively few), is most improvident. It is difficult to get to a knowledge of particulars in their cases; but whatever provisions I have found, on visiting their habitations, have been of the best quality; and my inquiries among tradesmen, as butchers, chandlers, shopkeepers, etc., have all been answered with: 'They will not have anything but the best.'

"In the habitation of the labouring man who receives no parish relief you will find (I have done so) even in the poorest an appearance of comfort; the articles of furniture, few and humble though they may be, have their best side seen, are arranged in something like order, and so as to produce the best appearance of which they are capable. The children appear under parental control; are sent to school (if of that age); their clothes you will find patched and taken care of so as to make them wear as long a time as possible. There is a sense of moral feeling and moral dignity easily discerned. They purchase such food, and at such seasons, and in such quantities, as the most economical would approve of."

Another writer, Mr. Isaac Willis, collector of the Poor-rates in the parish of St. Mary, Stratfordle-Bow, London, spoke to the same effect:—

"Are the two classes externally distinguishable in their persons, houses, or behaviour?"—"Yes, they are. I can easily distinguish them, and I think they might be distinguished by any one who paid attention to them. The independent labourer is comparatively clean in his person, his wife and children are clean, and the children go to school; the house is in better order and more cleanly. Those who depend on parish relief or on benefactions, on the contrary, are dirty in their persons and slothful in their habits; the children are allowed to go about the streets in a vagrant condition. The industrious labourers get their children out to service early. The pauper and charity-fed people do not care what becomes of their children. The man who earns his penny is always a better man in every way than the man who begs it."

Another London witness, Mr. Samuel Miller, assistant-overseer of St. Sepulchre's, London, testified as follows:—

"In the course of my visits to the residences of the labouring people in our own and other parishes I have seen the apartments of those who remained independent, though they had no apparent means of getting more than those who were receiving relief from the parish, or so much as outdoor paupers. The difference in their appearance is most striking; I now almost immediately, on the sight of a room, can tell whether it is the room of a pauper or of an independent labourer. I have frequently said to the wife of an independent labourer, 'I can see by the neatness and cleanliness of your place that you receive no relief from any parish.' 'No,' they usually say, 'and I hope we never shall.' This is applicable not only to the paupers in the Metropolis, but it may be stated, from all I have seen elsewhere, and heard, that it is equally applicable to other places. The quantity of relief given to the paupers makes no difference with them as to cleanliness or comfort; in many instances very much the contrary. More money only produces more drunkenness. We have had frequent instances of persons being deprived of parochial relief from misconduct or otherwise, or, as the officers call it, 'choked off the parish,' during twelve months or more, and at the end of that time we have found them in a better condition than when they were receiving weekly relief."

I cannot, unfortunately, find space to give all the illustrations of the terrible demoralisation brought about by the old Poor Law which the Report contains. Before I leave the subject, however, I should like to quote the introductory paragraph which deals with the effects of the old Poor Law system on those not actually relieved.

We have seen that one of the objects attempted by the present [1834] administration of the Poor Laws is to repeal *pro tanto* that law of nature by which the effects of each man's improvidence or misconduct are borne by himself and his family. The effect of that attempt has been to repeal *pro tanto* the law by which each man and his family enjoy the benefit of his own prudence and virtue. *In abolishing punishment we equally abolish*
reward. Under the operation of the scale system—the system which directs the overseers to regulate the incomes of the labourers according to their families—idleness, improvidence, or extravagance occasions no loss, and consequently diligence and economy can afford no gain. But to say merely that these virtues afford no gain is an inadequate expression; they are often the causes of absolute loss. We have seen that in many places the income derived from the parish for easy or nominal work, or, as it is most significantly termed, "in lieu of labour," actually exceeds that of the independent labourer; and even in those cases in which the relief-money only equals, or nearly approaches, the average rate of wages it is often better worth having, as the pauper requires less expensive diet and clothing than the hard-working man. In such places a man who does not possess either some property or an amount of skill which will ensure to him more than the average rate of wages is, of course, a loser by preserving his independence. Even if he have some property, he is a loser, unless the aggregate of the income which it affords and of his wages equals what he would receive as a pauper.

It appears, accordingly, that when a parish has become pauperised the labourers are not only prodigal of their earnings, not only avoid accumulation, but even dispose of, and waste in debauchery, as soon as their families entitle them to allowance, any small properties which may have devolved on them, or which they may have saved in happier times. Self-respect, however, is not yet so utterly destroyed among the English peasantry as to make this universal. Men are still to be found who would rather derive a smaller income from their own funds and their own exertions than beg a larger one from the parish. And in those cases in which the labourer's property is so considerable as to produce, when joined to his wages, an income exceeding parish pay, or the aggregate of wages and allowance, it is obviously his interest to remain independent.

Will it be believed that such is not merely the cruelty, but the folly of the ratepayers in many places that they prohibit this conduct—that they conspire to deny the man who, in defiance of the examples of all around him, has dared to save, and attempts to keep his savings, the permission to work for his bread? Such a statement appears so monstrous that we will substantiate it by some extracts from our evidence.

I feel sure that you will realise the importance of the extracts I have given from the Report of 1834, and I hope that you and all others who are studying the subject of Socialism will read that Report in detail. It is a book of no very great dimensions, and can be bought for the price of 1s. 8d., either from the Government printers, Messrs. Wyman and Sons, or through any bookseller.—Yours very sincerely,

J. ST. L. S.

XIV

What is Value?

DEAR MR.—, I hope when thinking about Socialism and discussing it with your friends that you will never let yourself be frightened or put off by the technical language of political economy, or be driven from what seems to you a sound view because this or that great name is brought up against you and you are told that what seems to you common-sense is contrary to Mr. So-and-so's theory or statement. Political economy or Economics is the science of exchange, and though the tree may be very complicated at the top, with an enormous number of interlacing branches, it has only one stem, and that is the true and just definition of value, or rather exchange value. I say "exchange value" instead of simply "value to prevent confusion. People are apt to use" value" as if it were the same as "usefulness." Exchange value means not only usefulness, but the quality of being exchangeable—the quality which makes people willing to give something in exchange for an object. If men would only keep a clear understanding in their minds of what exchange value is, and how it arises, they would find economics very greatly simplified, and we should see very many paradoxes and false theories now flourishing wither away. People sometimes talk as if exchange value can belong to a thing because it has had labour expended on it, or, as they put it, that labour is the sole cause of value, and therefore of wealth. It is, indeed, on the assertion that the sole cause of value is labour that the whole of modern Socialism was built up by Marx. Though I believe some of the modern Socialists declare that they do not hold with the Marxian definition of value in this absolute form, they in fact still base all their theories upon it. A moment's thought will show how untrue is this definition.

Suppose you take a hard and ugly block of stone and hire two or three men to carve it and bore holes through it in various ways. Next, suppose that these men hew it and hack it so much that it ceases to have any strength as a block of stone, while at the same time, as might easily be the case, acquiring no artistic beauty whatever. Some £20 or £30 worth of labour might have been put into the stone, and yet it would have no
exchange value whatever, but might very well be worthless except as broken stone. Clearly here labour would
not have been the source of value.

It is also not possible to say that a thing has value because it has utility—because, that is, people want it.
Sea-water has utility, for it can be made into salt, and it is therefore in demand, and yet on the seashore, where
any amount of it can be obtained, it has no exchange value.

What is wanted to give exchange value to an article is the presence of two things—demand and the
limitation of supply, or, in other words, demand and a certain amount of scarcity. These two requisites are like
the two poles in electricity. When they are brought together, but only then, the electric spark of exchange value
is produced. Test this rule in any case you like, and you will find that it is always true. There is always a
demand for drinking-water among human beings. But it has no exchange value unless there is a limitation in the
supply—that is, scarcity. Men will pay nothing for water if they are living on the shores of a lake, and can get it
with perfect ease. When, however, they are away from the shores of the lake, and the water has to be brought to
them in pipes—i.e. when it has become limited in supply—it has an exchange value, and men will give other
things for it. The same may be said of fresh air. Here you see that demand alone—everybody demands air and
water—does not give exchange value. In the same way, limitation of supply—mere scarcity—will not give
exchange value alone. There are a certain number, though a very small number, of pebbles on the seashore of
an ounce in weight—in other words, there is a limitation of supply in the matter of pebbles of an ounce in
weight. Since, however, there is no demand for them, their scarcity alone does not give them value. Suppose,
however, that pebbles weighing an ounce each were urgently needed in considerable quantities, for some
purpose or other. Then at once such pebbles would have an exchange value, because the two things would have
come together—demand and limitation of supply.

Perhaps the clearest way to put the matter is this. Demand is the first essential for value, because unless
somebody wants a thing nobody is going to offer anything in exchange for it. The next essential is that it shall
be limited in supply, because, again, nobody is going to give anything in exchange for something which, owing
to the fact that it is unlimited in supply, he can get for himself for nothing.

But value varies very greatly in degree according to the proportion between demand and supply. The price,
that is, is constantly changing. Here the old rhyme will help us:

The real worth of anything Is just as much as it will bring.
You cannot get beyond that piece of ancient
wisdom as to the determination of value. The degree of value or price of a particular object can only be
ascertained by finding out what people will give for it. Their conduct here is governed by the proportion
between demand and supply. Let me say again that if you keep this simple theory of value clear in your mind,
you will find it a sure guide through the labyrinth of political economy. Whenever you find a theory
propounded by an economist, no matter how distinguished, which contradicts these plain facts as to exchange
value, you may be sure it is wrong.—Yours very sincerely,

J. St. L. S.

XV

Sweating and a Minimum Wage

DEAR MR.—,—No one can feel more strongly than I do the sense of pity and regret that men and women
should often labour so hard and under such miserable conditions for so wretched a wage. If we could really put
an end to the evils of sweating and free the tired sempstress from her unrequited toil by an Act of Parliament, I
should deem no sacrifice too great,—except the fool's sacrifice under which one evil is abolished by calling a
greater evil into existence, or no remedy at all is found, but only the name of the evil is changed. Unfortunately
it is such means that the House of Commons lately declared its willingness to adopt in a fit of futile
sentimentality. Members vied with each other in their eagerness to prescribe quack remedies for the
evil—remedies which would either do no good or render the disease worse than ever—and refused to face the
consequences of their action. We all know the mood of the coachman who, when he has lost his way, whips up
his horses and drives on, anyhow and anywhere, in a panic, feeling that if he only goes somewhere fast enough
he will get out of his troubles. He forgets that as likely as not he is only getting farther and farther away from
his true goal.

Let me give you an example of the unwillingness of the Commons to look the facts in the face or to realise
the consequences of their proposal. Practically all the speakers in the debate admitted that the question of sweating was really part of the question of unemployment. Yet they deliberately sanctioned a measure the effect of which must be to increase unemployment. If a minimum wage is fixed, it is certain that a great many people now employed at less than that wage will be thrown out of employment, and thus we shall add to the unemployed, many of whom notoriously are unwilling to work, a body of men and women who at any rate are willing to work, but whom the State will not allow to work at the wages at which work can be obtained by them. This result of fixing a minimum wage was well brought out by Judge Backhouse, a judge appointed by the New South Wales Government to inquire into the working of the minimum-wage law in Victoria. The Judge pointed out how the result had been to drive out of employment many of those who were previously at work, or else to cause evasions of the law. "To the man who is merely slow the law shows no mercy. If he cannot earn the minimum wage, he must not work at all."

It will no doubt be urged against the view I am taking that I have nothing practical to propose to meet the evils of sweating, and I shall be asked with rhetorical emphasis whether I am really content that "The Song of the Shirt" shall be sung in thousands of miserable homes or sweaters’ dens in order that the sacred principles of political economy shall not be infringed. My answer is that though I have no ready-made remedy for sweating, I am not willing to pretend that I have a remedy when I have not, or to support a measure which I know will increase the evils complained of merely on the ground that I am doing something to ease the national conscience. If the "national conscience" demands an active poison rather than endurance of suffering, however poignant, then the "national conscience" is a false guide. But though I have no immediate remedy to propose, I am by no means unable to indicate some of the causes that have brought about the evils of sweating. These are the causes that produce unemployment and pauperism in their various forms.

To put the matter shortly, we must endeavour to stop sweating by stopping the manufacture of the unemployed and of pauperised persons. One of the chief engines of this manufacture is the maladministration of the Poor Law. The next is the special provision which of late years we have made for the unemployed. By recent legislation we have rendered it easy to be unemployed. In a word, the State is discovering that it can have just as many unemployed as it likes to pay for. It learnt this fact once before—in the years between 1790 and 1830—and in 1834 it realised that it must stop the manufacture of unemployed or be ruined. Now, apparently, it has forgotten, and will have to learn its lesson again.

Another source of unemployment is to be found in those Trade-Union regulations under which the natural grading of the pay of labour according to its efficiency is not permitted. Of this cause we have no right to complain, for the action of the Trade-Unions is voluntary, and the State cannot and ought not to interfere. It ought not, however, to make the anti-grading policy of the Trade-Unions easier by, in effect, declaring that it will provide subsistence under the name of unemployed allowances for the men who are thrown out of employment by TradeUnion action.

A last and final source of unemployment, and therefore of sweating, is, I believe, to be found in the tremendous pressure of our taxes and our rates on the poor. It is popular just now to regard high rates and high taxes as things almost beneficial, but in reality they are bound to bring with them very great evils. While we have been taxing and rating people nominally in the interests of the working class and in order to carry out so-called social reforms, we have really been depressing the condition of the poorest part of the nation. Remember it is on the man who has his back to the brick wall of absolute poverty, and who has no elbow-room in which to adjust his economic conditions, that the ultimate pressure of our public burdens falls. That it falls indirectly does not make the pressure less onerous.

In these days he who suggests freedom as a remedy for a social evil must expect to be treated with hatred, ridicule, and contempt, and held up as one who by his nature is half idiot and half tyrant. Nevertheless, I venture to say that by an application of the principles of free contract, and by such application alone, will a radical remedy be found for the evils of sweating. Restriction can do no permanent good, partly because it is bound to limit production—and increased production is the only means by which higher wages can be obtained—and partly because it is bound to carry with it that State aid which throws more burdens upon the people, and brings more and more of the industrious poor across the line which separates them from the pauper class. If the State forbids a man to take less than a certain wage, and he cannot get that wage, the State has to support him. But the State is, after all, only the working men with an ornamental fringe of capitalists at the top. Therefore what the State is really doing is decreasing the production of the things men desire, with the hope that thereby it will be able to give them more of those things!

One word more before I leave the subject. Though I hold that in freedom will be found the economic remedy, I by no means shut out the moral remedy. On the contrary, I believe that the moral remedy is all-important, and that those noble souls who are helping the poor to help themselves are doing infinitely better and kindlier work than those who vote for quack medicines. Again, I by no means desire to rule out the attack on sweating from the sanitary side. If, and when, the conditions under which men and women are working are
found to be insanitary and likely to lead to disease, then let the law interfere and refuse to allow those insanitary conditions to prevail. Work under insanitary conditions is waste of the human and of the material product in the highest degree, and the State is well advised to prevent such waste.—Yours very sincerely,

J. St. L. S.

XVI

The Reserves of Labour

DEAR MR.—,—Mr. Ramsay Macdonald in the course of his speech on the Unemployed Bill declared that all economists and sociological investigators in the country, with Mr. Charles Booth at their head, had laid it down that modern industry demanded a surplus of labour in order to carry it on. He wanted to supplement that by another doctrine—that modern industry not only required a steady surplusage of labour, which might become a minimum, but also requires now and again a critical condition of unemployment. "It not only required its two per cent always, but its ten per cent occasionally. If they agreed with that, there was an inevitable corollary. If we were to have unemployed, not because the men were inferior to the employed, but because of the very nature of the organisation, it was a logical and humane corollary that the burden of unemployment should not be placed on the backs of these weak men, should not be left to charity or to odds and ends of ill-assorted legislation, but should be dealt with more and more on the lines of Clause III. of the present Bill."

In other words, Mr. Ramsay Macdonald asserts that modern industry requires certain reserves of labour which can be brought up at moments of stress, and that the unemployed constitute these reserves. With certain limitations, I agree. But if these reserves are necessary to industry, let the cost of supplying them fall upon the industry, and not upon the State. Why should the taxpayers and ratepayers pay to keep during certain months of the year men who will be wanted by Messrs. Brown and Smith in order to get their firm very lucrative orders at another portion of the year? No doubt many owners of factories would be in very great difficulties if they could not feel that when large orders came their way they would find a sufficient body of men to help them to carry out those orders. Heretofore, or rather before the great extension of doles to the unemployed, many firms felt this so strongly that in slack periods they took orders at very low rates—rates which gave them no profit, or which even constituted a loss—in order to keep their body of operatives together. They recognised the need of maintaining reserves which can be drawn upon when large orders are coming in at high rates. Here is a good example of the compensating balance in industrial life.

Now, however, the capitalists are beginning to realise that there is little or no risk of their reserves of labour being lost if they do not keep them together by occasionally running their works without a profit. In future the reserves, instead of going elsewhere or melting away, will be kept in being for the good of the manufacturers by the State or the municipality. The onus of maintaining its own reserves is no longer imposed on the industry. The ratepayer and the taxpayer have undertaken the obligation. Being human, the employers very naturally fall in with this development of public policy, and shape their own action accordingly. In other words, what is happening in regard to the unemployed is what has happened again and again in our industrial history. We think we are throwing a bone to the poor unemployed terrier, whereas the big capitalist mastiff catches and makes off with it. The same thing occurred under the old Poor Law. The fact that the parishioners could claim maintenance from the parish had the result of driving down wages, and the farmers, in spite of the enormous rates, were often found to be defenders of the system because it enabled them to get farm-hands at 4s. a week. The parish paid, say, 4s. to the labourer and the farmer only paid 4s. No doubt in the long run the farmers suffered from the demoralisation of labour caused by State aid, just as the capitalist will in the end suffer if we keep his reserves for him. The reserves will be demoralised by the State doles,—whereas they would have been maintained in true vigour had the capitalist been obliged, or rather allowed, to do his own proper work at his own charges.

In fact, the plan of providing for what Mr. Ramsay Macdonald calls surplus labour by means of State action carries a double curse. It curses the recipient, and in the end it will bring a curse upon the capitalist who for the moment appears to benefit by it. The reason is plain. The power to do good work depends in the last resort upon character and rests on a moral basis, and that moral basis is destroyed when we accept what Bastiat called the great fallacy that the State is an institution upon which everybody can live at the expense of everybody else.—Yours very sincerely,
Dear Mr.—,—You are, I know, concerned, as must indeed be every thinking man in the kingdom, with
the problem of the unemployed. I do not want to trouble you with the obvious arguments against encouraging
unemployment by lavish relief of various kinds, but I should like to draw your attention to some of the evidence
in the Poor Law Report of 1834, which is very significant, and also very appropriate to the present time. Many
people are saying to-day: "It was no doubt a great mistake to start Special Committees and provide special
treatment for the unemployed. It is, however, too late now to go back. We cannot cut off the supplies from the
unemployed at the very moment when trade is beginning to be slack, and when men are being thrown out of
work. We must go on with the policy of giving help over and above that provided by the Poor Law." My
contention is that this view is not necessary, and that we can, and ought to, reverse our policy in regard to the
unemployed. I hold that the proper answer to the question, "What are we to do with the unemployed?" is "Stop
manufacturing them,"—that is, "Stop paying them." The same situation arose in the "thirties," and then it was
found that the only effective plan was to stop putting a premium on unemployment. Read the piece of evidence
given below by a witness who relates his experiences in a reformed Vestry. Before the Poor Law was reformed
as a whole, single parishes would occasionally determine to reform themselves, and to give poor relief on strict
principles and only after severe tests. The greater part of England at that time was under a system which can
best be described as recognising the right of all men and women to be unemployed, and when unemployed to
be maintained, if they chose, by the parish. The result was that the country swarmed with unemployed, and, as
the witness notes, it was very generally thought impossible to get back to healthier conditions because trade
was so bad. Yet, as the witness said, as soon as a parish left off paying the unemployed, the unemployed ceased
being out of work.

Mr. Baker (of Uley): "That it is not so difficult for them [persons unemployed and supported by the
parish] to find work for themselves as it is generally believed to be, is proved from the shortness of the time
that, with not above two or three exceptions, any able-bodied person has remained in the house; and by a list
which has been made of more than 1000 persons who were on the parish books and who now can be proved to
be otherwise maintained, chiefly by their own exertions. The list shows what they used to receive, and for
whom they now work. All who received parish pay before the workhouse was open are accounted for,
excepting about eight or ten. Some few have left the parish, but not many. About 500 are now on the books, and
most of those on reduced pay. I did not advise the introduction of the plan till I had read much, and till I had
removed many doubts by private correspondence with those who had witnessed its beneficial effects for several
years. Among these doubts the most important was, 'How, in the present scarcity of work, can those employ or
support themselves who are now receiving parish pay?' The answer was: 'You will be surprised to find how
soon the impossibility will dwindle down to an improbability, the improbability to a distant hope, and that
again to complete success.' I was also told that industry and frugality would increase, and that crime would
become less; but I never was told, nor had I the most distant hope, that the success would have been so
complete. When it began the poor were idle, insolent, and in a state bordering upon riot: they openly
acknowledged that they would rather live on the parish pay in idleness than work for full labourer's wages, and
when hired their behaviour was such that they could not be continued in work. Now all are glad to get work. I
employed many of them in the winter of 1830, and in the spring I let them go; but I promised them work again
in the next winter, for which they expressed more gratitude than I expected: but when the winter came very few
claimed my promise. They were in work which they had found for themselves, and in this winter, up to this time
[December 5, 1832], only one person has asked me for work. There is one man at Uley whose character is, and
ever has been, exceedingly bad, and, his feet being inverted, he is lame. He was allowed parish pay till very
lately; he applied for an increase of it; he asserted no one would employ him, and I believed him. At a Vestry
meeting, however, his pay was entirely taken off; he instantly found work for himself, and has lived by his
labour ever since."

Another witness, Mr. Russell (of Swallowfield), made the following statement:—

"The sum of this is that the labourers generally have the means of independent support within their reach,
but that, except in a few instances of rare sobriety and providence, they will not of their own accord make the
efforts necessary to command them. Of most of the men here described, I have said that they are good and
diligent workmen. A want of ability and willingness to work, when work is given to them, is not among the faults of English labourers; and it cannot be expected that they will be at the trouble of finding work, if they can find support without it. They will not go in search of the meat of industry, if they can sit down and eat the bread of idleness. If you maintain them in doing nothing, and put the key of the beer-house into their hand, what right have you to complain that they are idle and dissolute?"

Mrs. Park (wife of Mungo Park, the African explorer) gave this striking testimony:—

"About two years ago the state of our workhouse [Gravesend] attracted my attention, from the condition in which I learned that it was during my inquiries respecting Mr. Park's patients, he being then the surgeon of the parish. There were then fifty females in the workhouse. Of these, twenty-seven were young, stout, active women, who were never employed in doing anything whatever. There were five of these young and able women who were accustomed to go to bed in the forenoon, solely to pass off the time."

Accordingly a committee of ladies was formed, who set about reforming the female side of the workhouse. "We wished to have the whole clothed in one way with gowns of blue linsey-woolsey, check aprons, dark handkerchiefs, and close white caps. After violent opposition from the mistress of the house and the females themselves, this was acceded to. Hitherto they had purchased the most gaudy prints for the females, and ready-made slop-shirts for the men in the house, whilst the young women were lying in bed idle. One of the paupers, a girl of eighteen years of age, who refused to work, was dressed in a dashing print dress of red and green, with gigot sleeves, a silk band, a large golden or gilt buckle, long gilt earrings, and a lace cap, turned up in front with bright ribbons, in the fashion of the day, and a high comb under the cap, and abundance of curls. A general order was given that the hair of the females should be braided and put under their caps, and no curls or curlpapers seen. . . . One effect of this partial discipline in the house was that in almost two months about one-half of the workers left. Some of them called themselves widows; others said they did not come in to work; they merely came in until they could accommodate themselves, until they could get themselves another situation; but they would not remain to work, indeed, that they would not; they would take a room and keep themselves when they were out of place, sooner than put on a dress, and be made to work! One refractory person said: 'The poor were not going to be oppressed by work.'"

Comment on such evidence is needless. I desire, however, to note one point of special importance. Socialists will tell you that the reform of the Poor Law only succeeded because it coincided with the building of the railways, and therefore with a sudden and immense demand for unskilled labour. It was possible then, they argue, though it would not be now, to disband the legions of the unemployed because of the demand for navvies. But note that the examples I have cited deal with the period before the epoch of widespread railway construction. That did not set in till at least six years later. Before I leave the Report I will quote the following testimony as to the effect of lavish relief:—

"Do you find any effect produced by men obtaining parochial relief readily when they are out of work, or have anything the matter with them?"—"I have always seen that men who have had parish relief have been very careless of work and of their money ever afterwards. It has also acted very mischievously on the benefit societies, as these men would never contribute to them."

Yours very sincerely,
J. ST. L. S.

XVIII

What will it Cost? Where is the Money to Come from?

DEAR MR.—,—A wise Imperial administrator once said to me that he was always having admirable schemes for reform, and for the development and improvement of the country over whose destinies he presided, brought before him—schemes which were often not only excellent on paper, but would no doubt have been very beneficial in practice. He made it a rule, however, before he began to consider them seriously and in detail, to ask: "What will it cost?" and to have a proper financial estimate made as a preliminary to any discussion of the merits. The next step was to ask: "Where is the money to come from? "By the time these two questions had been asked and answered, prudence and common-sense showed in the majority of cases that it would be
inexpedient to proceed with the schemes. This no doubt was a depressing process, not only for the excellent people who advocated the particular project of amelioration, but also for the administrator anxious to do his best in his trust. But the facts were inexorable, and it was useless to quarrel with them.

After all, the process is one very well known to every private individual. Who is there who does not know of a dozen plans for effecting an enormous improvement in his method of life? Unfortunately, we are almost always brought up short by the two questions: "What will it cost?" and "Where is the money to come from?" In spite, however, of such private experiences, a vast number of people refuse to apply these two questions to public affairs, but act as if "What will it cost?" were a very small matter, and "Where is the money to come from?" no matter at all. The assumption is, of course, that the State possesses somewhere or other an inexhaustible fund out of which money can always be produced if only it is asked for with sufficient vehemence. This belief in the Fortunatus' purse of the State is indeed the greatest of all the illusions which perplex administration. Not only is it difficult to get the man in the street to see the error. It is often quite as difficult to bring it home to the statesman.

The administrator of whom I have just spoken, who is by nature far more of an optimist than a cynic, went on to say that though it was often very disappointing to have to give up fascinating schemes of improvement and reform on the grounds I have stated, he found his consolation in the thought that after all there was no better way of helping the mass of the people than by refusing to add to their financial burdens. To tax people as little as possible—that is, to allow them to spend their own money in their own way—is to endow them with no inconsiderable benefit. He who prevents a rise in taxation, and still more he who lowers taxation, is always and necessarily a public benefactor.

But though all this sounds so obvious, it is by no means the fashion at the present time. Men of the old school were wont to regard taxation as essentially an evil, though no doubt a necessary evil. The modern plan is to regard it as a positive benefit, and as a veritable source of national prosperity. The great goddess of taxation is invoked by both parties in the State—by the extreme Radicals and Socialists and by their opponents—as an all-powerful deity who, if only worshipped in the proper spirit and with appropriate rites, will prove the strongest and most helpful of political patrons. Again, in old days men found certain important objects for expenditure, and in view of the imperative character of those objects excused the grim necessity of laying fresh burdens upon the taxpayer. Now we begin at the other end. We suggest schemes of taxation in vacuo, and quite apart from the objects upon which the money when raised is to be spent. Indeed, we may now witness the amazing spectacle of politicians looking round for objects on which to spend taxes, which are to be raised in any case, and on their own merits. The enthusiasm of the votaries of taxation inclines one, indeed, to recommend to their attention Henry Kirke White's "Ode to Disappointment." With the alteration of a word or two, the opening passage might be used as an invocation to their deity:—

*Come, sweet Taxation, come!*
*Not in thy terrors clad;*
*Thy chastening rod but terrifies*
*The wanton and the bad.*
*But we recline beneath thy shrine, etc. etc.*

Though I fear I shall lay myself open to the taunt of being not only hopelessly behind the times, but poor-spirited, and also thoroughly unscientific, truth obliges me to confess that I take no pleasure in the new worship. I am old-fashioned enough to regard taxation *per se* with aversion. Save for the needs of law, order, and public justice, of national defence, of national health, and other essential public needs, I greatly prefer to let money fructify in the pockets of the individual rather than be sterilised in the Exchequer. Taxation there must be in a modern State, and heavy taxation; but let it be restricted as much as possible, and let us never forget that it is an evil, even when a necessary evil. In a word, I believe that what a statesman of a former generation called "the ignorant impatience of taxation" is in itself a very sound and healthy sign. I will go farther, and say that there is no way in which a statesman can do more for the people of the country which he is called upon to govern than by reducing taxation, provided that such reduction does not sacrifice the true interests of the country by starving some essential public service, by underpaying the men who are called upon to serve the State, by imperilling the national existence, or by neglecting Imperial responsibilities. I claim that those who desire to reduce rather than increase taxation, and who withstand proposals for placing vast new burdens on the taxpayer in the name of social reform, are often far truer friends of the people than those who imagine that you cannot spend too much and tax too much, provided only you have got a philanthropic object and a beneficent intention.

By raising unnecessarily large sums by taxation the State tends not to develop but to prevent the natural
processes under which money distributes itself more equally. By high taxes on such commodities of universal use as sugar, tea, coffee, cocoa, and tobacco, we raise the prices of those commodities. But to raise the prices of commodities which all poor men use is in effect to reduce wages. Under a system of high taxes wages go less far than they would otherwise go. Sovereigns and shillings are, after all, only tickets for tea, tobacco, sugar, and so forth, and therefore to raise prices by taxation is to dock those tickets of a part of their value—i.e. of a part of their purchasing power. A similar effect is produced by undue direct taxation. It is all very well to talk about taxing the millionaire and the rich man, and of so graduating your direct taxation that it shall fall only on the well-to-do. In truth, when you are apparently only hitting the well-to-do hard, you are really hitting the poor man still harder. The greater part of the money which you take from the rich man in Income-tax would, did you not take it, be spent in the employment of labour or in the accumulation of capital which would also go in the employment of labour. The capitalist employers whose incomes are reduced by high taxation are by so much the less able to compete against each other for the hiring of labour. Therefore in the most practical way high direct taxation of the rich tends to injure the poor. No doubt all taxation, high and low, is open to these objections; but that is not a reason for ignoring the fact, but for using taxation as sparingly as possible.

Money raised on commodities, as I have said, reduces the purchasing power of wages, and thereby reduces wages, while high direct taxation limits that competition of the wage-payers which is the wage-earners’ opportunity. All taxation hits the poor in the end. No doubt I shall be told that there is a fallacy in my argument, and that money raised for social reform, if taken from the rich in direct taxation, or from the poor in the taxation of commodities, is returned to them by feeding their children, by giving them old-age pensions, or by such social reform schemes as the endowment of motherhood and the giving of a living wage to all unemployed persons. To that I reply that, even granted this return, there is an enormous amount of pure waste—i.e. unproductive labour—involved in the process, and also that the return is constantly made to the wrong people. In other words, there is a very large class who are not in the possession of so-called superfluous wealth, and yet to whom no return is made. Under a system of high State expenditure and huge taxation the very poor and the very rich may for a time, and till the sources of wealth are finally dried up, manage to do well enough—one through their doles, the other through cheap labour and the lowering of wages which is always the result of such systems. But upon the intermediate class, including, of course, all the skilled artisans, an intolerable burden is laid. For them there is no give, but only plenty of take, until the burden of taxation has driven them into the ranks of the unemployed.

If working men would keep the two questions which form the title of this Letter in their minds they would find them extremely useful as tests by which to try proposals supposed to be made in their interests. They would very often find that the answer to the first question, "What will it cost?" if honestly made, would show that the expense was out of all proportion to the benefits supposed to be conferred. The answer to the second question, "Where is the money to come from?" would, on the other hand, if pressed home, generally end in the answer, "Out of the working man's own pocket."

Finally, I would ask the working men to remember that taxation is an evil, though a necessary evil no doubt. But though we cannot unfortunately do without necessary evils altogether, the sensible thing is to have as little of them as possible and not as much.—Yours sincerely,

J. St. L. S.

XIX

Thrift

DEAR MR.—,——The spectacle of the well-to-do in this country preaching thrift to the working man is often rather a ridiculous one, for unfortunately the well-to-do classes in England are by no means inclined to practise in the concrete what they admire in the abstract. Taken as a whole, I am afraid the well-to-do are, considering their opportunities, quite as great sinners in the matter of saving as those with lesser incomes. At the same time, it is undoubtedly a fact that nothing is of greater advantage to the working man than the practice of thrift. Thrift will give him a strength, an independence, and a power of bettering his condition which nothing else will. If, then, I advocate thrift for the working man, it is not because I want him to ally himself with Capital, or, as it were, to give hostages to the present economic system, but because I am convinced that through thrift and the possession of some measure of private property he will find one of the surest ways of bettering his condition. It is good to provide against sickness and old age by belonging to a benefit society, and
I should be the last to deprecate this sort of thrift. It is, however, also an immense benefit to a man to have £20 or £30, or even £10, saved and in hand. I do not hesitate to say that no man is really a free man in the fullest sense unless he has a sum of money put by upon which he could live for a short time if things temporarily went wrong with him in his employment. If a man has no money saved, but only has that which he makes from week to week, he is bound to be to a great extent at the mercy of those who employ him. Under such conditions he may be obliged to take whatever wages are offered to him. If, however, he has enough put by to keep him at a pinch, say, for six months, he can pick and choose and can sell his labour to very much better advantage. If the employer knows that the man he employs has got enough to keep him from want for many months, the knowledge is certain, sooner or later, to affect the bargain. I am no enemy of Trade-Unions, but, instead, believe that they have done an immense deal of good to the working-man, and if properly and justly worked are of great benefit to the State. But I feel sure that the possession of private savings by the individual members of a Trade-Union gives a double strength to the workman's position.

I shall be told, no doubt, that it is impossible for working men to save, and that in suggesting more thrift I am simply indulging in one of the delusions of the well-to-do as to the working classes. My answer is that I shall continue in my belief as long as so many millions a year are spent by working men in the consumption of beer and spirits, and still more in betting and other "unnecessary" amusements. I say this, not because I take the total abstainer's point of view, for I do not, nor because I think the working man should be without his pleasures and amusements. I believe that thrift is to a great extent a matter of habit and of the successful organisation of life, and that the ordinary working man might indulge reasonably in tobacco and beer, and at the same time put by a little each year. As a proof of my assertion that a man may acquire the thrift habit without an abstinence from the pleasures of life, which clearly it would be unfair to expect from him, I would point to the fact that those workingclass families in which saving is the rule do not have such a very different standard of life and enjoyment from those in which no saving takes place. It is, as I have said, a matter of habit and method rather than any violent cutting off of all the amusements of life or the adoption of a cowardly niggardliness. Again, it is the experience of all those who know the working classes that families where thrift is practised are very often not the families into which large sums find their way in weekly wages. Strange as it may seem, the man with the thrift habit and 25s. a week will often be in a much better position as regards savings than the man without the thrift habit whose wages are £3 or £4 a week.

There is a story of a workman saying to his employer: "I am a braver man than you. I dare spend my last shilling and you daren't." The story is picturesque, but I cannot help feeling that if the British working man had a little less courage in this respect it would be infinitely better for himself and for the country. Such courage may suit the worst kind of capitalist, because it puts the working man very much at his mercy. It is by no means to be commended by those who desire the real welfare of the workers.

I know well that you will agree with me in all this; but you may perhaps be surprised that I have thought it necessary to bring in the question of thrift in dealing with the problems and perils of Socialism. I think, however, I can show you that I am not writing away from my subject. Some Socialists declare that thrift and saving on the part of the working man not only do no good, but are positive evils. For example, Mr. Quelch in his widely circulated lecture, "The Economics of Labour," takes up this position very strongly "Labour," he declares, "becomes poorer the more it abstains and the more it saves. Temperance, thrift, and industry only serve to make labour an easier or more valuable prey to capital." Yet the man who writes this mischievous nonsense also declares that "the poverty of the workers is essential to Capitalism." Here, indeed, is an example of the perils of Socialism. I will never admit that the relations between Capital and Labour are those of war. Instead, they are those of co-operation and partnership. Unquestionably the absence of thrift—that is, the absence of property in the worker—does put him at a disadvantage when Capital and Labour are bargaining as to the distribution of profits. Capital and Labour are partners, and have to settle between them how the joint profits of industry shall be distributed. Neither can get on without the other. But if one of them knows that the other dare not stand idle for more than a week at a time, the position of that other is very greatly weakened. That is why I want to see the worker possessed of a nest-egg.—Yours very sincerely,

J. St. L. S.

XX

National and Municipal Trading
DEAR MR.—,— Those who, though not Socialists, have Socialist leanings often ask me whether I object to all national and municipal trading; whether, for instance, I hold that municipalities should not own their own tramways and gasworks, and whether, again, I consider that the State ought in no circumstances to own and run the railways, as is done in Prussia. Those who ask this question are, of course, using the device of the dilemma. If I say: "No, I do not think all municipal and national trading is to be condemned," then I am asked where I mean to draw the line. If the State can with advantage to the country run the Post Office and the railways, and the municipalities the tramways and the gasworks, and so forth, why should not the national and local Governments between them become the universal employers? In fact, it is sought to place one in the difficulty of either accepting Socialism wholesale or else of rejecting all State action.

Let me say at once that I have no intention of allowing myself to be impaled upon the horns of this very old dilemma. I am quite willing to admit that there are certain things—the Post Office is, no doubt, one of them—which it is convenient for the State to run. Accordingly I should never dream of supporting a campaign against all State or municipal action, even though I think that such action requires to be very carefully watched. As I have said in a previous letter, I hold that each special proposal for State action or municipal action should be considered and judged on its merits. Therefore, though I have not begun every letter by stating that I do not desire to abolish the Post Office, that I do not consider that the roads ought to be a matter of private ownership, and that I do not deny the municipalities the right of acquiring open spaces or providing gas, you will, I know, understand that I am no pedant in this matter. The ideal modern State, though its basis must be individualistic, may very properly engraft upon that basis a certain amount of State action. As long as the basis is truly and honestly individualistic, the slight admixture of Socialism involved in reasonable State action will do no harm. But though I have no hidebound theoretic objection to State action in every case, I am bound to say that I do not think people at all realise how much waste is involved in State and municipal trading, and therefore how injurious such action may often prove to the working man. We must never forget that waste decreases production, and that if the product of the things desired by man is lessened, there must of necessity be less material comfort and enjoyment in the world. Scarcity and poverty always go together.

I believe that if the facts are honestly examined, it will be found that it is almost impossible to discover any case in which the State or the municipality trades as economically and as efficiently as does the private individual. We are apt to boast about the Post Office, and no doubt it would be impossible to take away the monopoly of letter-carrying from the State and go back to private enterprise. Yet the State has not proved in any sense an ideal manager of the business of letter-carrying, and as regards both the telegraphs and the telephones a very strong case can be made out against State ownership. Again, public management of railways and tramways has by no means invariably proved an economic success. No doubt the example of the Prussian railways is often cited to show that a Government can beat private enterprise in this respect. I believe, however, that a great many traders and users of the railways in Prussia are anything but enamoured of public control, which is hard and unyielding to a degree which would be bitterly opposed and resented in this country.

In considering such questions as municipal trading and the nationalisation of railways we must not ignore the very great evils connected with direct employment by the State. You cannot without injustice disfranchise those who serve the State or the municipality, and yet if you do not you place a very large number of men in the paradoxical position of being both master and servant, employer and employed. If the proportion of persons in Government employment is not very large, these evils may be ignored. If, however, the proportion is large, or if, for example, as might easily happen with greatly enlarged State action, half, or more than half, the voters were in Government employment, this evil of the double relation of employer and employed would become most serious. Suppose the British Government were to nationalise the railways and one or two other large industries,—say those of mining and shipping. In that case it might be quite possible that the employees in the Post Office, the railways, the mines, the shipping industry, and the Civil Service might be half, or a little more than half, the whole working population. That being the case, what would prevent the employees of the Government using their votes to increase their own salaries all round? But to do this would not only be an enormous injustice to the persons still in private employment, who would pay the increased taxes and yet get no benefit themselves. It might also lead to the bankruptcy of the nation. Burke says somewhere that what frightened him was being a judge in his own cause. If those in the service of the State were actually to outnumber those in private employment, it might well be that the majority of the population would in fact become judges in their own cause.

The difficulty I have just set forth has not as yet come within the region of practical politics, though I believe that at one time in Australia the workers on the Government railways were not allowed to vote in ordinary elections, but were given a certain number of representatives of their own. But though the danger has not yet assumed great proportions, there are indications, both in the municipalities and in the nation at large, that we are beginning to feel the pressure of the Government employees. It seems, for example, very doubtful whether the addition of over half a million to the wages of the Post Office employees made this year
The increase will in the course of a year or two reach a million. was really required or was due to the working of economic laws, but was not, instead, the result of political pressure exerted by the men. I am inclined to think that this must have been so, and that the rise was not economically justified by the fact that under the old rate of wages there was no sign whatever that employment in the Post Office was unpopular. If the Government had really been paying wages below market price, the first indication of the fact would have been a difficulty on the part of the Government to secure the labour required by them. Yet all the time the number of men and women applying for work in the Post Office was greatly in excess of the number of positions vacant.

There is yet another objection to State and municipal trading which I, at any rate, am old-fashioned enough to think very important. It seems to me extremely unjust that the State or the municipality, who are able to rely upon the wellnigh inexhaustible resources of taxation, should compete with private individuals. Yet this is what is bound to happen when public authorities take to trading. The last objection which I desire to put may seem a sentimental one, but I believe it to be very real. If the State absorbs an enormous amount of the wealth of the community, then the individuals who compose the community will have less of it for themselves. To my mind, "the enjoyment of property" is a phrase which represents a positive truth. Property to be really enjoyed must belong to an individual. Therefore I say, let us keep as much property as we can out of the "dead hand," and let as much as possible remain to be enjoyed by the individual. Let the State defend us from foreign enemies, and maintain law and order, and do, indeed, for us whatever it can be proved cannot be done as well or better by private enterprise. When, however, no such case can be made out for State interference, let us say to the State: "Hands off." We want to be, not as much, but as little, under Government as we can. At any rate, that is my view of the matter.—Yours very sincerely,

J. St. L. S.

XXI

The Lesson of the Roman Empire

DEAR MR.—,—In my opinion, the great danger before us is the destruction of the spirit of the people. The risk we are running is that our nation may fall through the weakening of the national fibre owing to the well-meant but ill-planned schemes of the Socialists. Let no one suppose that this is all matter of theory, and that there is no possibility of proof. Here, if anywhere, history can help us. We know from history that what has tamed great nations in the past has often been the enervating State action which it is the aim and object of the Socialist Party to impose on this country. I can give on the present occasion only one instance; but it is enough. The more the history of the decline and fall of the Roman Empire is studied, the more clear does it become that it was not the armies of the barbarians which destroyed that Empire Rome fell because "her heart was stone," and her heart had become petrified because her people had been ruined and pauperised by the insidious action of State Socialism. You will find the story of how State Socialism ate out the vitals of the Roman Empire told with extraordinary charm and interest by Dr. Hodgkin in his Italy and her Invaders. The pauperising legislation of Rome first wore the insidious form of a gentle intervention to lower the price of corn:—

When Spain, Sicily, and Africa were pouring in their tributes of corn or money to the exchequer of the Republic, it was not an unnatural suggestion that the wealth thus acquired might fairly be expended in easing the material condition of the Roman citizens, of the men on whom had fallen the heaviest weight of all the blows, from Regillus to Cannae, by which the Roman State had been fashioned into greatness. Not an unnatural thought; and yet if the remembrance of the scourged veteran in the Forum, and of the cruel wrongs of the early plebeians, had anything to do with ripening it into action, we have here an instance of that strange Nemesis of unrighteousness which sometimes leads statesmen in the very excess of their penitence for an injustice in the past to prepare a new and greater injustice for the future.

Dr. Hodgkin goes on to refer to the legislation under which the Romans became in Rome a pauper people. He tells us of the enormous doles of corn and other means of subsistence that were given to the poorer Romans, until at last they became the pensioners of the State. While that disease was eating into the vitals of the humbler classes, another was attacking the middle class. Dr. Hodgkin points out that although Aurelian's bounties and rations might have made him a popular Emperor, yet Communism thus robed in the purple was becoming the destroyer of the commonwealth; and he adds that the middle class were being oppressed beyond endurance. A
system of rates and levies so burdensome was imposed by the State that they found it impossible to exist. There was a huge Land-tax, and cities staggered under a mountainous burden of rates. Finally, there came what under such conditions was inevitable—depopulation. One of the things that helped most to ruin Rome was the failure of the human harvest. Conditions arose under which the race was pressed so hard on the one side, and was so demoralised on the other, that the true Roman, the old Roman stock, actually died out.

Dr. Hodgkin ends with a passage of lofty eloquence coupled with a rare political insight:

Of all the forces which were at work for the destruction of the Roman world none is more deserving of the careful study of an English statesman than the grain largesses to the populace of Rome. Whatever occasional ebbings there may be in the current, there can be little doubt that the tide of affairs in England and in all the countries of Western Europe, as well as in the United States of America, sets permanently towards democracy. Will the great democracies of the twentieth century resist the temptation to use political power as a means of material self-enrichment? With a higher ideal of public duty than has been shown by some of the governing classes which preceded them, will they refrain from jobbing the commonwealth? Warned by the experience of Rome, will they shrink from reproducing, directly or indirectly, the political heresy of Caius Gracchus, that he who votes in the Forum must be fed by the State? If they do, perhaps the world may see democracies as long-lived as the dynasties of Egypt or of China. If they do not, assuredly now as in the days of our Saxon forefathers it will be found that he who is a giver of bread is also lord. [Dr. Hodgkin might have added, "and he that receiveth the bread is a loafer."] The old weary round will recommence, democracy leading to anarchy, and anarchy to despotism, and the national workshops of some future Gracchus will build the palaces in which British or American despots, as incapable of rule as Arcadius or Honorius, will guide mighty empires to ruin amidst the acclamations of flatterers as eloquent and as hollow as the courtly Claudian.

I cannot find a better end for these letters than those moving words. But, believe me, I quote them here, not for their historic learning nor for their literary excellence, but because they have a message for each one of us. If we are to avoid the fate that overtook Imperial Rome, we must avoid not merely the crimes, but the well-meaning blunders in philanthropy that sealed her fate. We must not destroy but build up the strength of the nation; and the strength of the nation is the strength of the spirit of the individuals who compose it. But the pauper, the pensioner, the serf of the State, no matter under what pleasant aliases you gild their position, are never strong in spirit. That is a gift which belongs alone to those who possess the priceless treasure of independence, who know how to make their own living, and who, free alike from a personal and a corporate lord, are the captains of their own souls and of their own bodies. Let us never forget that freedom is worth every other possession of mankind, and that under a Socialistic system freedom cannot exist. The air of Socialism is too close and heavy for a free man to breathe.—Yours very sincerely,

J. St. L. S.

Appendix A

To a Socialist Friend

BECAUSE I cannot share your creed
You doubt my heart, insult my reason;
With "blindness," "levity," and "greed"
In turn your eloquence you season.

The maxims of your fervid school
Don't err from over-toleration;
He must be either knave or fool
Who will not let you save the nation.

You tell us how the poor are ground
In factories and dens of sweaters;
How we and they alike are bound
In iron or in golden fetters.

You marvel that we hug our chains;
You taunt us with our meek enduring
Of evils that your wiser brains
Alone possess the art of curing.

You think, forsooth, we have not felt
That cloud of human care and sorrow,
Because we fear it will not melt
Before your magic wand to-morrow.

Your passionate exordium spare,
And spare us, too, your peroration;
The argument is rather bare
When only rich in declamation.

Have you discovered, you alone!
The squalid village, sordid city?
We too—our hearts are not of stone—
Possess some rudiments of pity.

'Tis just because we so deplore
The ills of poverty and famine,
That, lest you aggravate them more,
Your panacea we cross-examine,

My doctor, say, for my disease
Prescribes but exercise and tonic.
You scoff at remedies like these:
"Mere palliatives to make it chronic!"

No! I must stand upon my head
To keep the gout from upwards rising,
And swallow the East-wind for bread—
It's lighter and more appetising.
I hint that what you recommend
May be too thin for my digestion;
The one reply you condescend:
"What folly thus to beg the question!"

But when I learn that first on me
You try this regimen and diet,
"Ah! not in meo corpore."
I cry, "experimentum fiat."

When we object, that you refrain
From practising what you've expounded,
You answer: "Socialism is vain
By private enterprise surrounded."

But, if we give you larger rope,
Are you not in the same condition?
Collectivism here must cope
With ruthless world-wide competition.

If labour still must buy our wheat,
Where is your paradise of workers?
If, making less, we've less to eat,
The poor go hungry through the shirkers.

But my dilemma you decline;
Base bonds of foreign trade you sever;
'Neath figless tree and grapeless vine
You feed upon yourselves for ever.

Yet, wherefore need I criticise
Each detail of your dream fantastic?
Much deeper down the problem lies
How far is human nature plastic?

That it may change I do not doubt,
Since other times have other fashions;
But you are reckoning without
The primary instincts and passions.
For man, that perverse, curious beast,
The product of a thousand ages,
With freedom's sauce the sparest feast
Prefers to well-provided cages.

When each has got his task assigned
By the elect who give the orders,
A "Merry England "we shall find
Of convicts and of prison-warders!

You tell me I mistake your plan;
The force behind it is religious;
The sense of brotherhood in man
Will sanctify that change prodigious.

Ah, friend! Think not that I dispute
Religion's power to make and mould us;
To sweeten earth; our life transmute;
I know the half has not been told us.

But, as experience oft has taught
Religion thrives not on compulsion;
Enforced conversion ever brought
Its after-crop of mad revulsion.

A hundred years ago in France,
When men by law were made fraternal,
There-followed what a furies-dance
Of horror and of fate infernal!

In every Kingdom of the Saints
Power falls to hypocrites and toadies;
The weak bear all the harsh restraints,
But quis custodiet custodes?

Though when a scheme is proved absurd,
We are not bound to show a better,
Yet I will add one other word
By way of postscript to my letter.
Our policy of *laissez-faire*,
Abhorred of all your tribe and faction,
It is no gospel of despair,
But faith in liberty of action.

Although we do not underrate
The boon of governmental science,
The master-builders of our fate
Are character and self-reliance.

The State were but an empty shell
Without them, undermined and hollow;
Where these are present all is well;
In God's good time the rest shall follow.

R. H. LAW

**Appendix B**

A CORRESPONDENT of the *Spectator* having declared that the failure of the national workshops in Paris in 1848 proved nothing, because those who directed them meant them to fail, the following note was added to his letter:

In the "Letter to a Working Man" dealing with the national workshops of 1848 "J. St. L. S." specifically anticipated our correspondent's objection that the workshops were set up in order to ruin the influence of Louis Blanc and the Socialists with the French people, and to prove that Socialism was impossible. Though not admitting this reading of history, "J. St. L. S." went on to point out that even if the national workshops were to be put aside on this ground, it was impossible to get rid in the same way of Louis Blanc's special experiment at the Hôtel Clichy, where he was allowed to organise the tailors of Paris on his own lines. The tailors who worked in the Hôtel Clichy were certainly producers, and according to Bagehot's account, quoted by "J. St. L. S.," they were also enthusiastic and patriotic Socialists, and therefore not likely to have been objected to by Louis Blanc on the ground of character. That our correspondent, the courtesy and good feeling of whose letter we gladly acknowledge, does not make any allusion to the fact that "J. St. L. S.'s "letter dealt in detail with the Clichy experiment, and laid more stress upon that than upon the disputed ateliers nationaux, seems to indicate that he had not seen the "Letter to a Working Man," and was only writing on hearsay as to its contents. As to the allegation that Louis Blanc was betrayed by the Provisional Government, the point is one very difficult to disprove; but we are bound to say that the fact that Louis Blanc asserted this when the experiment was obviously proving a failure, and after it had proved a failure, by no means establishes its accuracy. Though very honest and very well-meaning, Louis Blanc was just the kind of man who was sure to think that he must have been betrayed by some one when things went wrong. We note that M. Pierre de la Gorcc, in his History of the Second Republic (Plon-Nourrit et Cie., 1904), the latest authority on the subject, does not, as far as we can see, give any sanction to our correspondent's view. We would refer him to Le Droit au Travail a l'Assemblée Nationale (Guillauman et Cie., 1848), a work which contains the whole of the heated debates in the Assembly, important official documents, and large extracts from the pamphlet, Socialisms, Droit au Travail (1848), in which Louis Blanc, after the event, repudiated the workshops as not carried out according to his theory. M. Joseph Garnier, the editor of the work in question, makes the following significant comment on Louis Blanc's declaration that the Socialists had no responsibility for the national workshops because of the manner in which they were organised and worked:—

"C'est-à-dire que M. Louis Blanc aurait voulu des ateliers nationaux autrement organisés. Reste à savoir comment il serait parvenu à classer les 115 ou 120 mille hommes que nous avons vus errer autour de la capitale. Nous ne pensons pas que M. Louis Blanc puisse se soustraire à une grande part de responsabilité, pour le fait des ateliers nationaux. Si ses collègues sont entrés dans cette voie, c'était en vertu de théories générées à la vulgarisation desquelles il a contribué plus que tout autre."
The above passage shows what Louis Blanc's contemporaries thought of the excuse when it was first raised—i.e. at a time when all the facts were fresh in men's minds.

In a word, we do not believe the treason and betrayal story. That it was found impossible to organise workshops according to Louis Blanc's abstract theories is, we have little doubt, quite true. Those theories were in effect absolutely impracticable and could not be carried out. But that is the case of the antiSocialists against Socialism, and cannot be used as an argument in favour of Socialism. That the Provisional Government tried to make the *ateliers nationaux* succeed is, we think, certain. They were too much afraid of the mob to do anything else. But if the Socialists reject all responsibility for their failure, then we say again that they cannot possibly reject Louis Blanc's failure at the Hôtel Clichy.

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**Auckland Tramways Dispute**

Report Of Proceedings before the Special Board of Conciliators held at the Supreme Court, Auckland, on July 8th, 9th, 10th, 14th, 15th, 16th, and 17th, 1908.

Published by Authority of the A.E.T. Union.

Price = = One Shilling.


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  - vignette

**Introduction.**

The Auckland Electric Tramways Industrial Union of Workers, in issuing the proceedings before the Special Board of Conciliators in the Auckland Tramways Dispute, in book form, offer no apology for this publication. The public have a right to know, but do not know, the whole of the facts that led up to the second Auckland Electric Tramways Strike.

The first Tramway Strike occurred on November 14th, 1906, and lasted for a little over four hours. After this Strike the conditions under which the men worked were made easier, and this continued until the arrival of Mr. J. J. Walk late from England to supersede Mr. P. Hansen. The effect of his administration, after that of Mr. Hansen's, will be best gathered by a careful perusal of the evidence adduced before the Board; but it is sufficient to say that matters were strained between the Company and its employees over the amendment of the City By-laws, so as to allow of a greater number of passengers being carried on the cars than they were licensed to carry. Then followed the dismissal of Conductor Holden, in November, 1907, after giving evidence at an inquest, in which he reflected upon the brake equipment on the cars. After this six employees were dismissed in as many months, some with scant explanation, and others with no explanation at all.

The Union exhausted all constitutional means of endeavouring to get their grievances remedied, even to the extent of laying the grievances relative to the summary dismissals of the men before the Hons. J. A. Millar and J. McGowan, Ministers for Labour and Justice respectively, in correspondence extending over a period of five months, but could get no redress. The summary dismissal of Conductor Herdson, on May 16th, 1908, without a reason being given for such action, brought matters to a crisis, and at mass meetings of the Union held on May 20th it was decided to notify Mr. Walk late, the General Manager of the Company in Auckland, that unless the demands of the Union, as specified in detail, were conceded by noon on the following day the men would leave the cars.

No official answer to this ultimatum was received by the Union from Mr. Walklate, and accordingly at noon precisely on May 21st the men left their cars as they arrived at the Queen Street terminus. They were at once taken over by the officers of the Company, and sufficient steam was kept up at the Power House for two hours, to allow of the cars being safely housed at the respective depots, when the Firemen left work in a body. The Strike lasted four days, viz., from noon on Thursday until 3.30 p.m. on Monday, May 25th, when, as the result of negotiations that had been proceeding for two days previously between the two parties, an agreement was signed referring the whole dispute to a Special Board of Conciliators, under Clauses 51 and 52 of the Industrial Conciliation and Arbitration Act, 1905. At 4 o'clock the cars were running again, and the Tramway Strike of 1908 came to an end.

It has been decided by the Union that, in consequence of the meagre publication of the evidence by the daily Press, the general public can only express an opinion as to the justice of the finding of the Special Board by having the whole of the evidence taken at the inquiry placed before it. Many strictures have been cast upon
the finding, but the Union has no hesitation in saying that these strictures are from biassed sources, and from persons who have not heard the whole case, but are content to obtain their opinions "ready made." The general public are earnestly urged to read the matter contained in this little publication, and then they will have no difficulty in arriving at a fair and honest conclusion as to whether the Union has proved its charges.

Arthur Rosser,
Secretary, A.E.T. Union.

Particulars of Dispute.

- That Conductor Hordson be reinstalled in his position, or given a satisfactory reason for his dismissal.
- The General Manager shall give a written guarantee that in future any employee being dismissed from the service shall be given a valid reason for his dismissal.
- Any employee being sent to the Head Office for an alleged fault shall see all reports made against him, and have the right to call evidence in his own behalf, as Inspectors' reports are often found to be misleading, and exaggerated to suit requirements of the Traffic Manager.
- Any Inspector proved guilty of making mis-statements or false reports against employees shall be instantly dismissed.
- Seeing that Mr. Lysaght's questionable methods were the real cause of the Strike of November, 1906, and that the recent harassing of Motormen and Conductors by Ticket Inspectors has been in obedience to his instructions, he shall be removed from direct contact with the men, as the Union is of the opinion that there will be no peace or harmony in the service so long as he is retained in his present position.
- That the employees of the Company shall not be asked to work with any "blacklegs" who went back to work during the last Strike.
- That, in order to lighten the labour of the men, as well as to ensure the safety of the travelling public, the Company shall be compelled to instal either the magnetic or the air brakes on the cars, as the present unaided hand-brakes are a menace to public safety, as well as entailing unnecessary labour on the Motorman.
- That the Company shall be compelled to pay due regard to the recommendations contained in the Auckland Tramways Award, now in force in the Northern Industrial District, in relation to: Providing all cars with glass fronts, to afford protection to the Motorman in all weathers. To gradually reduce the spare list by not making any further additions to it. He that ultimately all the men who are kept on the spare list may be enabled to earn a reasonable wage. To arrange for men who have been in the service of the Company for at least twelve months, and who have been faithful and diligent servants, to have a yearly holiday of at least eight days, and to pay the men at least half wages during such holiday.

(Signed)
C. W. Smith
President.

Agreement Made May 25th, 1908.

We, the undersigned representatives of the Auckland Electric Tramways Company and the Auckland Electric Tramways Industrial Union of Workers, do hereby agree to the following settlement of our Trade Dispute of this date, viz.:—

- A Board of Conciliators to be set up consisting of two paid employees of the Company and two paid officers of the Company, with a fifth person to be elected by the four, or, failing election, the Government to nominate. Such Board to be set up under Sections 51 and 52 of the Industrial Conciliation and Arbitration Act, 1905.
- Such Board shall sit as soon as it can be duly appointed, and shall hear all evidence brought forward by either side.
- There shall be no appeal made against the decision of the said Board, but its recommendations shall be
accepted as a final settlement.

Signed on behalf of the Auckland Electric Tramways Company, Ltd.,
J. J. Walklate,
Attorney.
Witness: W. O. Ryan.
Signed on behalf of the Auckland Electric Tramways I.U. of Workers,
G. W. Smith
Presidents.
Arthur Rosser
Secretary.
Witness: Edward Tregear, J.P.

Auckland Electric Tramways Dispute.

Report of Proceedings taken before a Special Board of Conciliators, consisting of Dr. McArthur, S. M. (Chairman), and Messrs. P. M. Hansen, E. H. Morris, George Sherry and Henry Carter, held at The Arbitration Court, Supreme Court Buildings, Auckland, on Wednesday, 8th, July, 1908, and following days.

Clerk of Awards read application referring dispute to Special Board, particulars of dispute, and agreement made 22th May, 1908, between the parties.

Dr. McArthur said:

As this is the first occasion, I believe, in which a Board of this description has been set up, it will be well for me to say a few words on the Board itself, and on the purpose for which we have met together.

Before doing so, I would like to inform you the members of the Board have been properly sworn by the Chief Justice (Sir Robert Stout), so that formality has been gone through.

With reference to formalities, I wish it to be understood that no want of formality shall upset any procedure whatever.

With reference to the evidence, we are not bound by any fast or legal rules of any Court, even the Arbitration Court is, because it says we shall take such evidence as we think fit, and Section 54 gives us the same power; it is wider, it does not only bind us by equity and good conscience, but to take such evidence as we desire, and that we think necessary in the matter.

As you well know. Gentlemen, on both sides there has been differences. The first thing I would like to draw attention to is the Agreement entered into on May 25th, which was read over by the Clerk of Awards just now. I should like to draw attention to the first four lines: "We, the undersigned representatives of the Auckland Electric "Tramways Company, and the Auckland Electric Tramways Industrial "Union of Workers, do hereby agree to the following settlement of our "Trade Dispute of this date."

That, I take it, will have an important bearing on what has to be settled, on that date. We must have some indication of what that dispute is to be.

The next point is in Section 1, is that the Board is set up; that we admit; and in Section 2, it shall sit when duly appointed, and take the evidence brought forward by either side.

Now, in paragraph 3, which binds me more than anything else, it Hays: "There shall be no appeal made against the decision of the said "Board, but its recommendations shall be accepted as a final settlement."

Taking that, and the introductory clause, I take it that these two clauses refer to whatever has been the matter of dispute. I refer to Mr. Rosser's letter of May 21st. (Letter read.) I take these words to be the binding words. "Unless the resolution," etc. (Read.)

I rely on the Agreement and also the letter of Mr. Rosser, in which he says these Resolutions form the demands of the Union, and I take it that these Resolutions embody the subject matter of the trade dispute as on May 25th.

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I rely on the Agreement and also the letter of Mr. Rosser, in which he says these Resolutions form the demands of the Union, and I take it that these Resolutions embody the subject matter of the trade dispute as on May 25th.

Now, on looking at these Resolutions, of course we know that Clauses 7 and 8 of Particulars of Dispute are not included there.

With reference to Clause 8, I should like to read you a telegram which I, at the instigation of the Board, sent to the Secretary of Labour yesterday with reference to two points: First, as to the amended particulars, and, second, as to whether anything intended to be done by the Government with reference to an inquiry as to the efficiency of the brakes.

The Secretary, in reply, rather missed the point as to the amended particulars. The object of the telegram was to clear this, and as to any precedent for an amended application in producing fresh matter.
He tells us something. He says: (telegram read).
Now, you will see he has missed the point altogether, because we have something more than he talks about here. We have a finality to reach, and that finality must be on those points that were agreed to by the parties themselves, and I take it that is on the first six clauses.

With reference to Clauses 7 and 8, I take it we cannot come to a final decision, that is, a decision which this Board can bind both parties to, unless both parties agree. We can do this, as the Arbitration Court does; we can make a memorandum and make our recommendations there; but with reference to Clauses 7 and 8, that is all the length that I can see we can go at present.

With reference to Clause 8, the last part of this telegram relieves both sides, I think, considerably (reading). I shall corroborate that to-day by sending a wire to the Minister for Public Works, to get that direct from himself. I have no doubt whatever as to the correctness of Mr. Tregear's telegram, but in this connection I think we should have something definite from the Minister himself. We have accordingly agreed to wire him to-day and probably some time in the afternoon or to-morrow morning we shall have a definite answer as to that, and that may influence both sides as to what you wish to do with reference to the evidence on these questions. Also, there is one other word I have to say about these Clauses 7 and 8. I find they are virtually recommendations which were made by memorandum on June 7th in the Arbitration Court, which fixes the Award to begin on July 1st, 1907, and which expires on November 1st, 1908. Again, I think that is a subsidiary reason why this Board cannot give a final decision on that point. However, I only bring that as a secondary, or subsidiary, reason.

Now that I have mentioned that, evidence will be taken, reading of that telegram may simplify that evidence, but when we get the corroborated one it will be more satisfactory. Whatever evidence is produced we shall take.

As to the method of taking evidence here, some of you are more conversant with the proceedings of the Arbitration Court than I am. This is what I purport to do. That the Union begins with the opening, by its representative, that the calls his evidence, and that his first witness will be a pattern to the others; he will examine in chief, getting from him the evidence he wishes to get; then the witness is then subject to a cross-examination by the other parties. In the cross-examination I want it to be clearly understood that this cross-examination is not confined to trying to break down the evidence of the witness, because it may be to the advantage of the person presenting that witness to only ask him certain questions. The cross-examination may ask fresh matter. Then the Examiner-in-Chief may re-examine the witness with reference to the fresh matter which has been brought in by the cross-examination. He is not to introduce fresh matter himself, but if he has omitted anything, and asks permission to further examine, he will decidedly get it. When the witness is done it is at the discretion of any member of the Board to ask any questions he may like on the matter, so as to make it clear to himself or to elucidate the matter in any way.

I trust and hope and believe that the parties will act in a friendly manner.

This is an inquiry that the public are concerned in, the public convenience must be looked to, also the convenience of the Company and the Motormen; therefore, we have decided not to hold long meetings, as we are to give each side a copy of the proceedings early the next morning and we shall sit from 10 to 12 and from 2 to 4 each day, and not on Saturdays at all. We think that will meet the convenience of the public, of the men, and of the Company.

Mr. A. Rosser:
I wish to ask first of all, whether the other side will admit that the case is properly before the Board, because, as you have rightly stated, this is the first case on record under the Arbitration Act in New Zealand. There have been other Boards of Conciliators appointed. Their duties have been to bring forward expert knowledge, and the special conditions under an Award, that should be binding on both parties. The Slaughtermen's is a case in point.

His WORSHIP:
Should there be such a case, I shall waive it at once.

Mr. A. Rosser:
The Slaughtermen's case was the first under special clauses. This case, however, is the first case on record in which a strike has been terminated peacefully by mutual agreement to refer the matters in dispute to a properly-constituted Board under Clauses 51 and 52. I am in this difficulty, that those clauses are to be taken in conjunction with other clauses of the "Industrial and Conciliation Arbitration Act, 1905," that where other matters not provided in these clauses are to be carried out it shall be carried out under the remaining clauses of the Act. For instance, the remaining clauses state that a special meeting must be held, of which adjourned notices shall be given to every member of the Union and that shall be further confirmed by a ballot, which Mr. Justice Chapman ruled should have a reasonable time allowed to elapse, so that every member should have an opportunity of confirming what done at that special meeting. Now, Mr. Cave, the Clerk of Awards, pointed this out to me, that there was nothing before the Board. I asked him if I should rely on the other clauses. It seemed
to me it was a piece of supererogation to put the other clauses in where not intended. The matter was formally placed before the Board at this crowded meeting, at which two hundred members were present. There would therefore be no need to notify them and ask them to confirm it by ballot. Furthermore. I contend that is waived by the Agreement which was drawn up and signed on that memorable day (Empire Day), Monday, May 25th. I take it in order to start fair, the opposing sides, seeing they have agreed to this before going before the Board, shall state whether they shall consider the matter is properly before the Board, because there has been no Chairman's declaration filed. But the President is here, and he can depose on oath that these resolutions were passed and were in order.

Will the other side admit that the Union is properly registered, and also that the case is properly before the Board?

**MR. WALKLATE:**

We are here, as I understand, before the Conciliation Board, who will endeavour to arrive at a satisfactory decision on the dispute we had on the 21st of May last. So far as that goes, we do not propose to raise any objection, but I must strongly object to Clauses 7 and 8, and we respectfully protest against any evidence being heard on those two points.

**MR. A. ROSSER:**

With regard to the formalities in the matter, that means the formalities have been complied with. I wired to Wellington, and received a reply that confirms what Your Worship has mentioned this morning, and in view of a public inquiry being held as to the brakes.

**HIS WORSHIP:**

The point we want is, Will Mr. Walklate waive the formalities? We will take that first.

**MR. WALKLATE:**

We will raise no objection to the formalities at all, with the exception of Clauses 7 and 8. We object to these being dealt with in any way. With regard to the dispute, we are prepared to go on with that, an raise no question as to procedure or anything else.

**MR. A. ROSSER:**

Now, with regard to Clauses 7 and 8, I would object, on behalf the Union, to the matter being considered in the light of the information that has come to hand yesterday and to-day, because the readily see that if the evidence is drawn out, and the Board find they have no power to make an Award binding, and can only make a recommendation, that recommendation would not he worth the paper it was printed on.

**HIS WORSHIP:**

It would simply amount to an expression of opinion of the majority of the Board.

**MR. A. ROSSER:**

It would prejudice fresh proceedings before an inquiry. It would weaken our position.

**HIS WORSHIP:**

Are you prepared, then, to drop all reference whatever to Clauses 7 and 8 in the evidence?

**MR. A. ROSSER:**

I am prepared not to go on with Clauses 7 and 8, but it must necessarily follow reference will be made to them, but the Heard need not make any Award on those two clauses; that will be the simplest way out of it. Clause 8 is a recommendation from the present Court. They have not obeyed it; it has never been carried out; and, to quote Scripture, "If they obey not Moses and the Prophets, neither will they believe, "though one rose from the dead." I want to point out this: If, as we contend, the recommendations of the highest Court in the land are not carried out then the recommendations even of this Board may not be binding upon them. That is the point. I think it would be of no use to put the Board to the trouble of hearing evidence that there would not be a chance of being carried into effect if placed in the form of a recommendation.

**HIS WORSHIP:**

Then it will bring the matter down to these six clauses.

**MR. A. ROSSER:**

My friend may object to certain evidence coming forward, but the evidence is so interwoven with the other part. I will do my best to disintegrate the matter.

**HIS WORSHIP:**

We cannot take evidence down as you can in a Court of Law. (Clause 54, Subsection A. read.) Now, it is inconceivable that each one of these separate sections should be so separated as the fingers on each hand; they must touch or overlap somehow; but I think with that explanation we may leave them out.

**MR. A. ROSSER:**

I ask permission to withdraw Clauses 7 and 8.

**HIS WORSHIP:**

Clauses 7 and 8 are withdrawn accordingly.
MR. A. ROSSER:

That is without prejudice, of course. We withdraw our evidence and hold it over for another inquiry, if necessary.

I may say that, although there is rather a formidable list of witnesses handed into the Clerk of Awards, that it will be considerably lessened now by these clauses being withdrawn from the scope of this inquiry. I have subpoenaed eight or ten witnesses for to-day, because, as you have rightly pointed out, there is the convenience of several to be studied in this inquiry. In the first place, the service has to be maintained, and men will be here this afternoon that will be off shift. It would be putting the Company to trouble and putting the men out also; therefore. I have summoned about ten witnesses for to-day, and we shall see how we get along with these, and perhaps modify it tomorrow as the case may require.

His Worship:

if at any time either party finds they have omitted anything in evidence, or they wish to recall evidence, that is always permissible.

MR. A. ROSSER:

In this case, gentlemen, I may say the Union appreciate the seriousness of the situation, and, although in opening cases before the Arbitration Court it has not been my practice to enlarge too much on the points, yet, seeing that the four members on the Board are thoroughly conversant with every phase of the question, perhaps I will explain the matter so that Your Worship may have a clearer idea as to what the meaning of this clause is. I desire to state that the Tramway Strike was not a strike against the Act. It has been represented that the Act has been set at defiance, but in this case it is not against the Act, neither is it against the provisions of the Award, that the Union took that step on May 21st, but it was against matters outside the scope of the Act, and not provided for in the Award. Had it been a question of wages, it would have been a deadly blow at the Award, but we have not struck for wages or as to working hours. It is against regulations that have been formulated and decisions that have been carried into effect by the Company itself. The Strike was a measure of self-preservation, and, as Your Worship has mentioned, we are to take into consideration, not only the actual particulars, as formulated on this 21st day of May, but on previous days, and this has not been a sudden outburst.

I would take the Board back to last November, when the first bit of irritation occurred in connection with the dismissal of Conductor Holden, and that is necessary, because we have stated that we had only struck after exhausting all constitutional means. I wish to place that before the Court; it is not a case of a spoilt child, who strikes off at a tangent and does something he regrets afterwards. But a case carefully thought out, and a well-advised action, so far as we are concerned. Conductor Holden was in the service of the Tramway Company. In October last there was a fatal accident in Ponsonby Road, a man run over and killed, Mr. Ben Paul. Mr. Gresham, the Coroner, conducted an inquiry that, and, hearing that Holden had expressed an opinion about the brakes, he was subpoenaed by the Coroner to attend to give evidence. Holden appeared, as he was bound to do and gave evidence, and the nature of his evidence was to the effect that he had known a case where the brakes refused to act. The verdict of that inquiry was that the deceased came to his death by being run over by a tram car, the verdict reflected on the efficiency of the brakes. That is the verdict, and a rider was added to the effect that there should be life-saving apparatus and cradle attached to the cars. It was also suggested that the Government should be asked to appoint an Inspector to examine rolling stock of the A.E.T. Co. Holden was told there was no run for him; at any rate, he was dismissed, no cause being given. Now, I propose call Holden as the first witness. Then came other events, such as the dismissal of James Brown, who is here this morning. The reason assigned was that he was unsuitable, and also that the Company were shortening the spare list. Cate was another case. I am him, as he is 75 miles from Wairoa, in the Hawke's Bay District.

Schwarz another man. I have his affidavit, taken before me as a J.P., never dreaming it would come up again. He is now in Brisbane. He was told he was unsuitable. Another man, Parlatto, was accused of going into an hotel while in uniform and on duty. The Rules properly provide against such a contingency as that. Hut the man had two witnesses that he was taken ill, and two passengers took him into the hotel for a port wine and brandy. He had asked to be relieved, but could not get leave. I don't say they were not justified in calling him to account for it and perhaps dismissing him, but the man had no opportunity of bringing forward evidence on his behalf.

Then follows a man named Veart, who for a bump—no damage being done—was disrated as a Motorman. That oar had been reported on by seventeen Motormen as having defective brakes. We content that Veart should not suffer this disgrace, and he went out of the service. We now come to Holden, who was dismissed without reason being given at all—i.e., insufficient reason—and the Award states that "a week's notice shall be given on either side, providing that this shall not prevent "the Company from discharging a man for good cause." If the cause is shown, we have nothing to say, but in his case that has never been done, and this matter has brought about discontent and irritation in the service. I want to point out that the case of Holden was
referred to the Minister for Justice, and the reply I got was that the matter had been referred to the Minister for Labour, to see whether a broach of the Award had been committed, and there the matter hung fire for a while. (Letter from Mr. McGowan and Mr. Miller read.) Now, that went on until March this year: the first letters were in November, and it was found that inasmuch as I had, to use a colloquial term, "barracked" for a week's wages to be given to Holden, that that had put the Company outside of any prosecution for breach of Award. That is a matter for argument at a future time. The latter clause of that letter was written because I quoted that our Act with regard to protection of witnesses, was lamentably deficient in New Zealand, and that the British Act is far ahead of ours. That provides that a witness can be protected, not only at the time he has given evidence, but afterwards. Our New Zealand Act only provides he shall be protected up to the time when he gives evidence. Steps are now being taken to put our Act on similar lines to the British Act. Therefore I think I have clearly shown to the Board that we tried every constitutional moans of bringing about some amelioration of the conditions of the men before we took the decisive step on the 21st of May last. To come back now to Mr. Hordson, who was dismissed, he was not given a week's notice: he was a regular man, and entitled to notice, and we never asked for the week's wages in lieu thereof.

The Strike was one of self-preservation; that is inherent in brute beasts: but it is not surprising to find that it also exists in tram employees; it is only human nature to protect one's self as a last resource. That is the reason the Strike took place.

I may say with regard to the remarks made by Your Worship in the opening address, that the Agreement was drawn up in a stress of excitement. It was drawn up by Mr. Tregear and myself, and while it was being done the service was hung up: therefore it does not include everything that it should have included, because it was done in a hurry. It was sufficient for us to know the men had agreed to go back to work, and the service was to be resumed. That Agreement was signed by Mr. Walklate and myself.

With reference to other events, I am justified in showing that there were other matters which are contributing causes. For instance, if a person is sued for an offence, and it can be shown that he is guilty of contributory negligence, that affects the result and the verdict. I submit that, even including Clauses 7 and 8, that we were justified in bringing them in as contributory causes to the irritation existing amongst the employees of the Company.

His Worship:

If you show in the course of hearing contributory negligence by the other party, that throws the onus on the other side to show there was none.

Mr. A. Rosser:

We are not pursuing that point any further, but it would have rested with the Company to have shown that they had carried out the recommendations of the Court.

His Worship:

Take the case of an ordinary motor accident. The motor ran into a horse one early morning in the dark. The defence of the motor people was that the plaintiff was guilty of contributory negligence, inasmuch as he was on the wrong side of the road round the corner. That there the onus on him of showing that he was on the right side, or if on the wrong side, he could not get on the right side until he was round the corner.

Mr. A. Rosser:

It was notified in the Press that the Company had decided to appoint Mr. Hansen and Mr. Morris to seats on this Board, and it had not been formally carried out. I therefore sent this letter to the General Manager, on May 20th. (Letter read.) So that I realise that perhaps this is another precedent, in which the status even of a Judge may be temporarily asked to be set aside, because there are certain charges him. You will see the peculiar position I am placed in. I informed Mr. Walklate of it, and he sent me a reply, that he saw no reason to the appointments, and the names were sent in formally to the Awards. Now, evidence may be brought forward that will even one of the members of the Board. I mention that because I wish to give respect to the Board, and I do not wish to be accused of disrespect or keeping things back and bringing them up afterwards. I have that Conductor Hordson asked to be reinstated, or given a reason for his dismissal. The General Manager had given a guarantee that in future any employee who was dismissed given a valid reason for his dismissal. Now, Mr. Hansen agreed to on November 14th, that a man should be given a valid reason for his dismissal, and given a chance also to produce witnesses. That was one of the contributory causes in settling that first Strike that the Conductor should be reinstated, and given a That was Beaston. Then the other matter was that the men who went out on strike should not be prosecuted. That was kept by Mr. Hansen, and it is only due to Mr. Hansen to say that he kept his part of that Agreement faithfully. He was in a position as Manager for several months after that Strike was finished, until Mr. Walklate was appointed, and as a Motorman said at that time, it was like working; in Paradise. He did not, perhaps, know there were no electrical ears in Paradise. At any rate, it may he assumed there are none. However, the six months' work was carried out well by both parties, but as soon as Mr. Walklate was appointed we found that men were being dismissed without reason. Now. I feel it quite right to
state that I believe Mr. Walklate to be a man of high character and rectitude. That is my personal opinion of him, but I think that he is unfortunate in bringing English experience to bear on Colonial workers. Perhaps when he has been here eight or ten years, or less, he will see that he cannot work Colonial workers on the English methods. The understanding was departed from, and it has culminated in a second upheaval, and we now think it right to bring the matter before the Board to prevent a future upheaval, as we wish to observe the Act.

With reference to Clause 8 (Clause read), the Traffic Manager is Mr. Lysaght, and here I consider that, however good Mr. Walklate is, he cannot pursue the right path unless he has good advisers, and we will call evidence to show that Mr. Lysaght has always been a bone of discontent among the men. It is a serious thing to say, but I say it seriously and advisedly, and we shall have evidence to show that Mr. Lysaght, who has the greatest communication with the men has not acted rightly, as in many cases a man has not had a chance of seeing the report put in against him. In Beaston's dismissal the report made was added to, and I ask the Board to call for the production of that document. It was read by me. Mr. Hansen gave it to me on November 14th, 1906, and when the latter clause was read out the Motorman stood up and said, "It is a lie, I never made that report." That is one instance where reports are falsified.

Clause 4 read. We can practically dismiss that clause from our minds, because Mr. Walklate agreed to it at the time the meetings were being held. The Press reports have it clearly; he said, "I can give you "my word for that; I have no time for anybody, and no time for a liar." Somebody said. "Why have you got time for Lysaght, then?" I take it, this will not take a great deal of discussion, because the Manager practically agreed to it.

The crux of the question is in Number 5. (Read.) With regard to this, I may say that we have evidence of questionable methods that have been pursued during the last eleven months, and also for many years past, and we propose to show by this evidence that Mr. Lysaght is at the root of the whole matter. We don't hold, like some people, that the men objected to having supervision. We realise that in a service like this the men must be supervised, to see that they are carrying out their duties, but we do say that a man detected in a fault should be told of it, and not told four or five days afterwards about it, and he to lose his run and his wages of 7 or 8 shillings, and perhaps, having gone down to the office, to find the matter is a trifling one. This is the root of a great deal of irritation. The rules and regulations of the Company are fearfully and wonderfully made. It is impossible for an Arch-angel to-work with this Company and not run foul of one or more of the regulations. Take, for instance, one, that the Conductor must remain on the back platform, so as to keep an eye on intending passengers at every stop. In a crowded car of 66 passengers he has to rush back to the platform whenever the ear stops. If that were carried out all the Conductors would be down for an offence for it. There are other things a Motorman has to observe, but don't, and they are not enforced. I am showing you how arbitrary it would be if these were enforced, and men told to go down to the office to answer an offence committed three or four days previously. It places them in the position of the Irishman who was asked if he was guilty, and said, "How can I tell until I hear the "evidence?" That is their position; they don't know what the charge is I submit in supervision like this the Inspector has a right to tell the men, and say, "I shall report you for smoking on duty." or, "being "uncivil to passengers," or whatever it may be, so that the man may know what he has to meet. It is the A.B.C. of the British Law that man should know what he has to meet when he goes before the Judge This is not done by the Company, and it certainly should be.

With regard to Clause 6. (Clause read.) That clause we consider is part and parcel of the settlement of the Strike; that is, the agreement to go to go back to work amicably and study the public convenience, and submit the matters to the Board. Your Worship mentioned that there was an amended form put in by the Union; the wrong form was attached to the citation, which left out Clause 6. I mention this to show that it was a clear omission. In the first Strike of 1906 there were 27 or 30 men who refused to leave their cars, and the men feared there possibility of a like number on this occasion. That has been a source of discontent, that some may be working with men who would not stand by their mates. On this occasion, however, there were only two men, one who refused to leave the car until he was dragged off, and ran the ear to the barn. Another man went to work in the barn while his mates were out on strike. There was a lot of feeling about this, as the men did not want to work with those who turned traitors to them and their interests. When, the week before last, through some misunderstanding, Mr. Walklate put one of those men on again, there was a danger that if that man had not been taken off last Friday week there would been another strike. I mention this so as to ask the Board to take it into their serious consideration as to whether the demands of the in this respect shall be carried out, and not to allow two men out of 250 to cause discontent amongst them. I think that brings the matter up to the last clause of the particulars have made it as clear as I possibly can to the Board, and have endeavoured to explain some matters which might otherwise be obscure.

His Worship:
That just brings us to the psychological moment—that is, 12 o'clock. We will meet again at two, and you will then call your first witness.
(Court adjourned until 2 p.m.)
(Court resumed at 2 p.m.)
Court ordered all Witnesses to retire.
MR. A. ROSSER:
There are two witnesses assisting me in the case. I presume they can remain.
MR. WALKLATE:
I have no objection to that.
ALFRED NICHOLAS HOLDEN, duly sworn, examined by Mr. Rosser:
My name is Alfred Nicholas Holden. I am a carter, in the employ of A. B. Wright and Sons. I was formerly
a Conductor in the employ of the A.E.T. Co. for over four years prior to my dismissal. I was dismissed about
six months ago, November last, I think. I had a good record with the Company, and there was nothing standing
against me prior to my dismissal. The merit and demerit system was in vogue then for over twelve months.
There was a competition each quarter, and one pound was given to the man with the best record. There were so
many points for any good act and so many taken off for any fault. I stood very near the top twice. I remember
October 16th last, when Mr. Paul was killed in Ponsonby Road. An inquest was held. I was subpoænaed to
appear as witness; it was signed by Mr. T. Gresham (Coroner), and I was commanded to give evidence as to the
brakes. Mr. Lundon appeared for the relatives. I was duly sworn. My evidence did not approve of the brakes. I
went next morning, the 6th, for my run. I was a regular Conductor, always on the one run, and had been so for
some time. I saw Mr. Morris, who was officer in charge of the Ponsonby Depot, and was told I was to report
myself to Mr. Lysaght at the Head Office. I went at 6.30 for my run, and was told to report at 10. I asked him
the reason why I could not get my run, and he told me I was suspended until there was an inquiry, and I would
have to see the Manager. They gave me no reasons. I waited about the office for over five hours. It was close on
6 when I went home, tired of waiting. I reported again next morning for the run and was refused. I then
interviewed Mr. Rosser to see if he could make inquiries into the matter. I saw Mr. Lysaght again, and he told
me my services were not further required. 1 asked if 1 could see the Manager, and was told he was engaged,
Mr. Rosser and I then saw Mr. Lysaght in the outer office, and when Mr. Rosser asked why I was dismissed no
answer was given. My wages had to be demanded from the Company, and the Award of the Arbitration Court
was read out to him, and he said he would see the Manager. Eventually a week's wages were paid. I remember
Mr. Walklate coming out to the flap of the counter. Mr. Rosser pointed out the seriousness of the situation, and
told him that he would make the matter public through the Press. Mr. Walklate said "he did not care "what the
public thought." I went to the "Herald" and gave my statement, but it was not published. (Extract from "Herald"
read by Mr. Rosser.) 1 remember that appearing. I was out of work a fortnight. Mr. Walklate said he did not
give references. I produced references when I went to the Company, and was accepted on those references. I
applied to a big warehouse for work, and was asked for a reference from my last employer. I said I had none,
but had just left the Tram service. I was not successful. I asked Mr. Kidd for a reference when I handed in my
uniform and book. He is an officer of the Company. About a fortnight afterwards I went to work in Mr. Craig's
stable, and got a job driving. I have been carting ever since. I consider it very hard to be dismissed without a
reference. I thought there was nothing against me, except what I said at the inquest. I often thought I was
harassed by the Inspectors, but I did my work to the best of my ability. I was reported once for talking to a
Motorman, which is a broach of the regulations. It was in Symonds Street, near the Bridge. Mr. Morris was
under the verandah opposite. I got an envelope, and was requested to send in an explanation. That is known as a
"Please explain." I saw Mr. Morris, but did not connect that with him. I remember talking with the Motorman.
A lady passenger wanted to know where Kingsland Avenue was, and the Motorman asked information of me,
as I had ben some time on that run. I explained the matter to Mr. Lysaght, and I saw Mr. Walklate also, and
gave him that explanation. He said if I were "at the office twelve times a day I would spin that yarn." I was
reported by Inspector McElwain for a miss-fare. He reckoned I intimate with one of the lady passengers,
familiar was the word, but I don't think it was meant in that sen.se. This lady got a penny ticket from Queen
Street, and remained in the ear. Mr. McElwain checked the car at the Eden Vine, about 200 yards from the
penny section. There are points there, and the car goes on at a slow rate, and I had to run after and catch the car.
I thought it was a bit sharp. Another day Mr. McKlwain accused me of running the ear without a full
complement of passengers. It was after the "Straphanging" question. I gave tfc Motorman three bells from
Karangahape Road, which meant I had a full car. He declared there was a vacant seat, but I got evidence from
the passengers, so that charge fell to the ground. I reckon the Inspector tried to get another one on to me.
BY MR. CARTER:
The Inspector got on the ear at the penny section; the lady came from Queen Street. I went to the office and
saw Mr. Lysaght and the report, and the lady's name was not in it. He told me what Inspector reported me for.
BY MR. HANSEN:
Mr. Lysaght knew I was waiting outside the office during those hours. There was nobody else near the


office but me during that time I was not a yard or so away from the door.

**BY MR. ROSSER:**

I reported myself to Mr. Lysaght two or three times that day, but was told Mr. Walklate was not in. Mr. Lysaght passed me a dozen times. I was suspended. I was not to resume work unless I got orders to do so. The demerit system was not in force at that time.

**JAMES MILLS, duly sworn, examined by Mr. Rosser:**

My name is James Mills. I am a Switchman in the employ of the Company. I have been with them ever since the Company started over seventeen years altogether. I was a driver on the old horse-cars, and also at other occupations. I went on as a Motorman when the electric traction started, and previous to that I was stable foreman at Onehunga. I have been a Switchman about twelve months, and before Motorman on the Ponsonby route. Previous to the 1906 Strike Thomas Beaston was my Conductor. I applied for a change of Conductors Mr. Lysaght. I had no fault to find with the Conductor as to carrying out his duties, but a previous Conductor, who had been to Queensland, and had come back, was on the spare list, and was applying for a regular run, and I wanted him back again. Mr. Lysaght said I should have to state the reason, and I wrote out a second application. Mr. Beaston was inclined to be rather religious, and I am a bit hasty, and when I used a hasty expression he would check me. He was one of conductors I ever had. I did not get Spence, my old Conductor, back again. November 14th, 1906, was the day of the Strike; I was on the morning shift. I did not know the men had actually gone on strike, but as soon as I heard the ears were stopped I came down to the office, and found the men inside. The policeman at the door pushed me back, but let me in after I explained that I was one of the men. I found negotiations had been going on some time. When inside I was told that was a "crook report I made about Beaston." A report had been read purporting to come from me saying that Beaston was an agitator, and neglected his duties for Trade and Labour Council matters. I have never written such a thing. I remember standing on the desk and demanding my application to be read. I challenged anyone to come forward and prove that I wrote such a statement. My statement had been added to. Beaston was one of the best Conductors. He never talked to me and caused me to neglect my time-table. I thought, however, it was not wise to press the matter, as all other matters were nearly settled. I felt sore ever since that my report was falsified, and I never forgave Mr. Lysaght for that yet. I never liked Mr. Lysaght, as I think he has a lack of principle, and has done one or two shady tricks. I remember a "round robin" affair about Mr. Steve Heaney, who was Foreman of the Ponsonby Stables. I believe Mr. Lysaght was the instigator of that "round robin." He came to me and asked if I would sign it, and I said, "No, certainly not." As a Switchman, I am in authority, to a certain extent, over the other men and if a Motorman or Conductor is insolent I should have to report it. I reported a Conductor for gross insolence; he used obscene language to me; but he was not dismissed. I saw Mr. Lysaght, who asked me if he had apologised. I saw the Conductor afterwards, who said that he had been ordered to apologise, that he was sorry, and there the matter ended. That was one case where an insult did not mean the dismissal of the offender.

**CROSS-EXAMINED BY MR. WALKLATE:**

I was put on as Switchman because I applied for the position of Despatcher. I made no report against my Conductor Beaston; it was an application. I think the report was as follows: "I hereby ask for a "change of Conductors, on account of not being able to agree with "Thomas Beaston on personal matters." That was the second application. The first application was for W. R. Spence as a Conductor. There were two separate statements. (Report handed to witness.) That is mine. I think it was the first one I sent; it is dated 25th of October it may be the second one; I am not quite sure. This request that Conductor Spence be put on, and also a request for a change from Beaston. Mr. Jysaght said I must give a reason. I wrote out a second application. Mr. Lysaght passed me a dozen times. I was suspended. I was not to resume work unless I got orders to do so. The demerit system was not in force at that time.

**BY MR. HANSEN:**

When I was Foreman of the Onehunga Stables it was temporary promotion. Mr. Lysaght did not work against me in securing that.

**BY HIS WORSHIP:**

I am quite certain there were two applications; this may have been the second, but the first was never handed back to me.

**MR. WALKLATE:**

We have no record of any other application.

**RE-EXAMINED BY MR. ROSSER:**

I am absolutely certain I sent two applications. I demurred to Mr. Lysaght asking; for a second, as I thought...
it unusual. I heard what you read out at the meeting, and I denied it. The report you read was not mine.

**BY MR. HANSEN:**

The first report merely contained my application for Spence. I don't know why any report should have been altered. I understood the report read was one said to be written by me against Conductor Beaston. Although I asked for an explanation it was never given to me.

**THOMAS BEASTON, duly sworn, examined by Mr. Rosser:**

My name is Thomas Beaston. I am a shop assistant, and was formerly in the employ of the Company as a Conductor; I was also a member of the Union. I was appointed for a Delegate for the Trades and Labour Council to represent the Union about June, 1906. I attended every night I could get off, and took a keen interest in the matter. My name was mentioned in the Press. About that time I was harassed by Inspectors. My car was boarded by the Inspectors, and checked more than the average number of times. As a rule, they board the ear at the rear end, check the Conductor's waybill by looking at the numbers, then check the tickets from the back to the front of the car. On several occasions they commenced at the opposite end and reversed the proceedings. I took it they thought I was a rogue. In the usual order of things it gives the Conductor a chance of getting faros from passengers who had just got on the car but if the Inspector gets on at the front he is liable to get what is called a miss-fare, and the officials take it we are giving people free rides. James Mills was my Motorman; he was a very good Motorman. I never caused him to miss the time-table or argued with passengers. A Conductor has not got much time; he has all work to do with fares to collect switches to pull, and passengers to look after. My record was very good, and my merit marks doubled my demerit marks. I did not know that Mills applied for a change of Conductors. Mr. Lysaght put me on the Grey Lynn run. I about a week when the trouble occurred. The trouble was my dismissed without a hearing. I was accused of writing on glass windows in the barn, and was told to go to the Engineer's office. At the time I had never seen it but there was some obscene language put on the and I understand it was done with a match. I saw Mr. Afterwards Mr. Hansen, and was discharged. The Strike then took place, and one condition was that I should be put back or receive my the end of the month. I got the wages. They gave me a good and withdrew all charges against me. I really believe I from the Company for taking an interest in Labour matters. I did my well, and the marks proved that to be so.

**BY MR. CARTER:**

At the time I supposed to write obscene expressions on the glass I was actively engaged in Christian work in tin's city.

**BY MR. HANSEN:**

I state distinctly that I never discussed, whilst on duty. Trade and Labour questions with passengers.

**BY MR. MORRIS:**

The men took my case up they thought I had been treated unfairly and unjustly, and they thought it their duty to take it up. The Company refused to hear my case, and that was really the cause of the Strike. My dismissal was due to the official who had charge of the Conductors, or it may have been the officer in charge of the Ponsonby Depot. I was dismissed by Mr. Lysaght. He treated me well until the latter part of my time, when I applied for a holiday to go to Australia on private and important business. He said he could not give me leave, and I said I should have to leave. The officials of the Company were aware that I would be forced to leave, and in spite of that, they tried to take my character away, so as to be able to say they dismissed me. I think Mr. Lysaght should have seen that I had a fair hearing:

**BY HIS WORSHIP:**

I knew nothing of this writing at the time. I saw Mr. Lysaght and Mr. Carey both together, and the latter read the charge out to me from paper, as to using and writing obscene language. It was a report made by Mr. Kidd. I said it was the first I had heard of it and I am quite innocent. There was no evidence brought to support the charge. I reported myself to Mr. Hansen, who said I was to come down next morning. I then saw Mr. Lysaght, who said the Company would not require my services any longer, and they would give me wages in lieu of a week's notice. I ultimately got a reference from Mr. Hansen after the Strike; it was a condition of the Strike.

**BY MR. MORRIS:**

Mr. Lysaght never reported me that I know of.

**BY MR. ROSER:**

At the time of these negotiations the room was packed; there would be over 100 men there. I remember Mills asking for his report to be read. I think you read a report before that. Mills was excited about something being added. I remember that. You read the addition, too. Mills came in after and asked for it to be read again.

**PETER McELWAIN, duly sworn, examined by Mr. Rosser:**

My name is Peter McElwain I am an Inspector in the Tram Company's service. I have been in the service about ten years, as Inspector most of the time. I am the Senior Inspector by length of service, but there is no difference in my pay. I was on the horse-cars for about five years. I have been associated with Mr. Lysaght for
about 11 years. I remember the "round robin;" I took it round; I got some signatures. I might have been turned off a verandah, but I don't remember who drew it up. Mr. Lysaght was my superior officer, and he asked me to take it round; it was my duty to do as I was told. He told me it came from the Company. Poor Heaney is dead now. He was not a loyal man to the Concern. I think Mills signed the "round robin," and I think Rogers signed it. There were a good many signed it but I cannot remember well after all this time. Mr. Lysaght gave it to me and told me Mr. Heaney was not suitable for the position.

THOMAS ALGAR JOHNSTONE duly sworn, examined by Mr. Rosser:

My name is Thomas Algar Johnstone. I am an Inspector in the employ of the Company. I have been with the electric cars since they started, in November, 1902, and I was with the horse-cars before that. I was withdrawn and put on special duty. I was in uniform at that time, but had my overcoat on. I have been in an upstairs room in Newmarket, observing the conduct of the men on the cars, and have forwarded a report to Mr. Lysaght, the Traffic Manager. I was taking the time of arrival and departure of the cars. If a man were smoking I should have to report, but I don't remember any cases. I wrote my report at the time, but kept no record. I have also been at Onehunga, and put in a day there, checking the times of the cars. I sat in a second-class railway carriage at the terminus. I have an idea I reported some of the men for smoking on that occasion, but could not say who they were. Smoking is a breach of the Rules. The men did not know I was there, as far as I am aware. I had my overcoat on then. On another day I went to the Kingsland terminus. I remember a Conductor saw me there, and he informed the other men but I shifted my quarter to a verandah of a house at Kingsland. I was sent to Arch Hill too. I was close to the end of the terminus, in a paddock, sitting on a log, underneath the trees in the open. I was acting under instructions. It would not do to inform the men that I was there: they would pass the word along or give signals. I have been to the Three Lamps also. I in a butcher's shop, upstairs; I had permission from him. I have been to Herne Bay terminus that I remember. I receive my instructions from the Traffic Manager (Mr. Lysaght). He told me to go out and check the time-table, because he had complaints that it was not being maintained, and we have to find out the reason why the men stay longer than they really should. It was in my regular working hours.

BY MR. HANSEN:

I was instructed by Mr. Lysaght. I was not told to go behind logs, or anything of that kind. I used my own discretion in the matter that I would not be observed.

BY MR. CARTER:

I know if I had to check the time-table that it would not do for the men to see me.

MR. WALKLATE:

We don't dispute this at all; I take the responsibility of checking the time-tables; it is a necessity. There is only one method to find by some means what time is kept. It could not be done if the Inspector stood by.

BY MR. ROSSER:

I have acted as Despatcher at times. It was then my duty to check the time at the Queen Street end; but there is no one to check them the far ends. If the men stay three or four minutes at the terminus longer than they should have to drive the cars at a greater speed to make up the time-table, and the equipment suffers. When a man goes down to the office he is told what he is charged with. He gets word the next day or so, and the case is dealt with. I cannot bring to my mind who I reported for offences other than not running the time-table. It is over four years ago now; I have not done it since that time. There was a man employed as a Private Inspector for that work. I could find out from the Despatcher as to whether there had been any block or irregularities in the service, or whether the power had been off or not.

JAMES BROWN, duly sworn, examined by Mr. Rosser:

My name is James Brown. I was formerly a Conductor in Melbourne, and also in the employ of the Auckland Tram Co. I was three years in the Melbourne Tramway and Omnibus Co. Roth cable and horse traction. I left on my own accords and got a good reference. I have one here. (Reference produced and read.) I produced that reference and another one when I made application to the Auckland Tram Co. I filled in and signed an application form. The form produced is similar to the one I filled in. I started for the Company at the end of September or the beginning of October. There were 23 on the spare list at that time, so far as Conductors were concerned. I reported twice a day at 6 a.m. and 2 p.m. I got nearly to the top of the list, but not into the position of the regular wage of two guineas a week. Just after the new year I was told by Mr. Morris to go and see Mr. Lysaght; it was the 4th or 6th of January; I was told my services were not further required. I went to see you, and we went down to the office and saw Mr. Walklate, who said I was unsuitable. I asked what was the moaning of that. I had to show the reference that I was a capable Conductor, and had had three years' experience in Melbourne. I reckon that a Conductor in Melbourne has a harder task than one in Auckland, I do not drink or smoke. I was surprised to hear that I was unsuitable. I did not use bad language to passengers. Mr. Walklate qualified his reason by saying they were shortening the spare list. I don't think they were, as far as I know. There were several who went on that list afterwards, and it showed they were doing just the opposite. I
told him it was unfair a man should be dismissed directly after the Christmas holidays, and he said he had to study the Company's interests, not the men's. You then told him you would advertise the conditions under which employment was to be given to spare men, and he said he was very pleased you should take the matter in hand.

I think I should have a reference from the Tram Co. or have satisfaction. I did not get either. I went to the Grand Hotel at Rotorua as cook. I got a good reference, but I haven't got it with me.

BY MR. WALKLATE:
You told me the Company was shortening hands. I asked you what was meant by the word "unsuitable."
You withdrew that remark and said you were shortening hands.

MR. WALKLATE:
I never told you that.

WITNESS:
I was in your service about three months; I was still on the spare list: and as such the Company were under no obligations to give me any notice whatever.

MR. ROSSER:
The award says it does not apply to the spare list; I admit that.

WITNESS:
I am nothing at present.

(Court adjourned until 10 a.m. on Thursday, July 9th, 1908.)

(Court resumed Thursday, 9th July, at 10 a.m.)

HIS WORSHIP:

Just before calling witnesses, I wish to say I have a telegram here addressed to me as follows: "In reply to your wire, Mr. Holmes and Mr. "Richardson are expecting to leave here on Tuesday morning for Auckland. Mr. Richardson, who is the Wellington City Tramways Engineer, "cannot leave before that date at earliest (Signed) William "Hall-Jones." Mr. Holmes, of course, is well known to most of you as the Government Engineer, and Mr. Richardson is the Wellington Tramway Engineer. These two gentlemen are engaged in passing trams before same are allowed to work there.

Witnesses ordered out of Court.

HORACE EDWARD VEART, duly sworn, examined by Mr. Rosser:

My name is Horace Edward Veart. I was formerly in the employ of the Tram Co. as Conductor and Motorman. I was in the Company's employ two years and two months. I went on as Motorman in October last. I remember March 12th. this year. I was driving No. 73 car on the Ponsonby line. I had a slight bump with another car which standing at Pitt Street penny section. I was going from town. It was a Ponsonby car just ahead of me. I don't know of any rule, but it is usual to go gently round the curve, so as to allow any car to get away or stop a short distance from it. It was a very slight bump: the only damage was my buffer was dinted a bit; no harm was done to the other car. My buffer slipped over the top of the other one being higher. The brakes on No. 73 had not been working all right. I knew they were not working well. I got notice the next afternoon. Inspector Johnstone was standing there at the time, He got on my car and told me he going to report it.

Inspector Morris told me on Friday night that I wanted on Saturday morning at 9 a.m. I was taken off a special ear, and did not finish the trip. I took the same car out with Mr. Lysaght, and Mr. Brennand; and Inspector Johnstone was on the outside. Mr. Brennand was Superintendent at the Ponsonby Barn. Inspector Johnstone was looking after the pole. It was done for the purpose of having a demonstration of the car at the scene of the bump. I drove down College Hill to Queen Street. When I loft the Lamps I put the brake hard down and wound up the ratchet brake. That is the thing to do. I proceeded cautiously, knowing the car was faulty was hard to stop at England Street curve. It was not the same I previously bumped with. The brakes at one end may be good and other bad. I went to Queen Street terminus, and started with the same end to the front as when I bumped the ear. I had no stops, except when slowing off going round the curves. When I arrived Pitt Street curve, Mr. Lysaght and Mr. Brennand cane out to the front of the car, which went a lot easier than on the Thursday night.

I then took the car to the barn. That morning was booked up on a car, but was not allowed to take it out, as I was told I was wanted at the Head office. I saw Mr. Lysaght there, and he told me he would put me back on the bag for two months, from Motorman to Conductor. I did not appreciate it; it meant a loss of status and of pay, besides a stigma attached for being in fault. I do not consider I was in fault, as I did the best I could with the equipment under my control. Between Thursday and Saturday I looked in the book at the barn, and saw that the brakes had been adjusted. After the bump I reported. "Ratchet brake wants adjusting." Afterwards in that book in another column, I saw these words: "Brakes adjusted, W "Bartlett." I do not consider it was a fair trial to experiment with the same car when brakes had been adjusted in the meantime. I remember the result of investigations I made as to whether that car had a bad character. (Documents produced.) That is a faithful copy of what I discovered. I worked afterwards for about three weeks as Conductor, but not constantly,
as I was suffering from a bad cold at the time. I was a bit sore about the matter, and finally decided to sever my connection with the Company.

BY MR. WALKLATE:
The car that I bumped was on the other side of the curve. It was the same place I had been warned about; not in the morning, but in the afternoon; about four hours before that. It was my first day out with that car. I had no chance of complaining to the Inspector about it but I spoke to him and I no sooner did so than he went to the back of the car. I did not complain to him about the brakes. I worked for about three weeks as Conductor, and then left the service. I resigned; gave Mr. Lysaght notice on Saturday morning, and left the following week. It was the 18th May that I gave notice, and my discharge is dated the 25th. I was not compelled to give a week's notice, but I meant to resign there and then.

BY MR. CARTER:
The time of the accident was about 7.27 p.m. on the 12th of March. The Trackman greased the curve at about the same time. I took a special car at 9 o'clock on Saturday morning. The Trackman generally greases the line about 0.30 a.m. It is a very hard thing to stop a car on the curve just after greasing. There is no rule about letting your buffer touch the other car. I have never heard of anyone else being "put back on the bag" before or since. It is quite a usual thing for cars to pull round exactly as I did. I have often heard of the brakes of cars jumping on going round the curve,

BY MR. HANSEN:
My buffer slipped off the other car again, I went right on to Ponsonby.

BY MR. MORRIS:
The Trackman was greasing both rails on that night. You told me afterwards that I would not lose my place on the Motorman's list, but I was not told at the time.

BY MR. ROSSER:
I did not understand that at the time. I was told the same afternoon. I don't think it was a fair thing that I should have been punished for something my control. The conditions were not the same at the trial as on the day the bump occurred.

BY MR. WALKLATE:
The Trackman greased the outside curve, the curve I was using. I was almost on the straight when the ear bumped. I was told the reason for being put back was "bad judgment," going round the curve when another car was standing there.

BY MR. HANSEN:
When I made that bump I had been on about half-shift about four hours. I found the brakes very heavy and stiff. I never got a chance to report it.

BY MR. HANSEN:
You can report to the Despatcher.

MR. SHERRY: I know you cannot.

WITNESS:
I worked the shift out afterwards with those brakes, and finished about ten past eleven o'clock.

MR. HANSEN:
It was very dangerous for you to do that.

HIS WORSHIP:
The conclusion must be drawn by the Court.

BY MR. ROSSER:
I know it is wrong to slop on a curve; you must have a clear of rails round the curve.

MR. CARTER:
The grease is liberally supplied; it is squashing over the top skating rink.

HERBERT MONTAGUE HERDSON duly sworn, examined by Mr. Rosser:
My name is Herbert Montague Herdson. I worked as Conductor for the Company until about a week before the Strike. I was a regular man for two weeks. I worked my way through the spare list. I went on regularly about the 1st May. No. 1. Herne Bay was my run Friday before the Strike I was told to go down at 10 o'clock on Saturday morning and see Mr. Lysaght. I saw him, and got rather a said, "Herdson you are dismissed; your services are no longer I asked for a reason. He said, "He had no reason to give me: he was" acting under Mr. Walklate's instructions." I then asked for an interview with Mr. Walklate, but was informed he "was too busy to I told him I was a member of the Union, and it would be a Union matter. I told him I thought it was a very unfair thing, as I could think no reason for my dismissal: he said he knew of no reason then went to the Secretary of the Union (Mr. Rosser), and he advised me that, inasmuch as Mr. Hansen had first helped me to get on with the Company, to whom I had been introduced by my uncle, the Rev. Mr. Monckton. Chaplain to the Bishop of Auckland, I had better see Mr. Hansen about it. He said he would make investigations, and see if he
could find out the reason. I again went to the Head Office, corner of Hobson and Custom Streets. I know I was entitled to an interview with Mr. Walklate under the Award. I saw him outside conversing with another gentleman, and after a little while I told him my name was Herdson, that I had boon dismissed that morning, and asked him for a reason. Mr. Walklate turned round and said to me, "You are dismissed, "and that is all about it."

and then walked into the office. It is not the way I should speak to a dog, that Mr. Walklate spoke to me. I then called on Mr. Rosser again, and said I could got no satisfaction whatever. On Monday morning Mr. Rosser and myself went to the Head Office about out no'clock, Mr. Hansen at the same time coming in. Mr. Walklate said he could give no reason for it. Mr. Rosser then road out an extract as to promises being made that any man should got a satisfactory reason for his dismissal, or be allowed to road reports with regard to it. Mr. Walklate said he had given me a week's wages in lieu of notice. I have never received this. I afterwards heard that Mr. Walklate gave out as the reason: "Insolence to superior officer." I think that was the second day of the Strike. Prior to that I had no notion whatever of the reason. The only incident I can recall was about May the 13th. I was going towards Herne Bay, and near Cox's Bridge Road, when Inspector McElwain boarded the ear. It was the last stop before the terminus. He look my waybill and went to check the tickets. There were three gentlemen and two ladies. The gentlemen were standing, making preparations to got off. He checked their tickets, and then demanded tickets from the ladies. One lady opened her purse and said she had dropped her ticket. He called me, and asked me if I had issued tickets to the ladies. I said yes, and told him he had been in the service long enough to know better than to come and board a car dose to the terminus. It was casting reflections on my honesty, and on the lady's honesty also. One of the ladies said she would pay sixpence; that is, to pay over again. He followed me, and said, "HerdingsN. You are not to "dictate to me in any manner or form." I told him he had tried to humiliate me in front of the passengers, He was very officious. I told him also that if he treated me more like a gentleman I would treat him the same way. I considered myself as good as he was, though he was my superior officer. I was very indignant with him but at the same time I did not use any bad language. I never do use obscene language. I have been reported for broaches three or four times for trivial offences. I was never accused for any act of dishonesty. I am a bit above that. (Printed form produced.) My application to the Company was filled in on a form similar to that, When I spoke to Mr. McKlwain I had two witnesses who heard part of it. Mr. Buckley and Mr. Smith; the latter is President of the Union, and he was alongside the car. It is the first time I have ever had an Inspector board the car in this manner.

BY MR. WALKLATE:

I don't remember Mr. Lysaght saying anything about the week's wages, but I could not be sure; I was so astounded at being dismissed; it was a big shock. Inspector McElwain got on the ear at Cox's Bridge Road. He had an argument with the ladies, who said they had dropped their tickets. He beckoned to me, and called out at the same time. The ladies were sitting in the front compartment: the car had stopped when he called me. I never lose my temper; I am very sweet tempered. This is my first experience in Tramway work. My only experience of what an Inspector should do is what I have seen here. I have never been out of Auckland Province; I am what they call in England "a white Maori." I had been in trouble about shortages, but not above the average. I have seen it posted at the barn; other men's shortages of £1 to £2; I had a shortage once of £1, but paid it up the next day. I was a bit surprised at the time. I remember I had taken several pounds' of silver into Hellaby's, and got it changed for sovereigns. I cannot conceive any other way that I lost that pound. I was not insolent to the Inspector, and I made no offensive remarks to him. I did not see Mr. Smith get on the ear; he was speaking to Motorman Buckley, and was on the platform with him. I think he was waiting at the terminus. I objected to the Inspector humiliating me. Passengers have generally dropped their tickets when so close to the end of the journey; they make a rule of it. There is a notice as to passengers retaining their tickets, but they don't do so. Perhaps it would be part of the duty of the Inspector to see this done. I am not at present working; not since I was disposed. I was with Mr. Goldie immediately before. I left him of my own accord. I was a collector there, and handling sometimes £300 or £400 a day for him. I wanted to get into the service, and gave Mr. Harry Goldie four days' notice, but I put another man in my place, and Mr. Goldie was satisfied. I did not tell his Inspector McElwain that he "a dirty crawling liar" in front of the ladies. I have had some little disagreement with other Inspectors, but mostly got on well with them. I remember an Inspector once getting on the car about a dozen times.

BY MR. CARTER:

The Inspector should have rung the bell, not called me. The ladies offered to pay the fare again. They said, "Conductor, we don't like "reflections cast on our characters; we will pay you again." As a rule the Inspector takes the word of a passenger that they have dropped their tickets. He was the first that did not do so. There have been no suggestions as to any fault of a monetary character at all. It is the usual proceeding on my part to get change from shopkeepers. There are no objections as far as I know.

BY MR. HANSEN:

When my wages were due I called for them. I thought the week's wages in lieu of notice would be given to
me. I asked for my pay date.

By Mr. Sherry:
It was at the barn, and we got paid through a hole in the fence that occasion.

By Mr. Hansen:
Mr. Morris asked me to hand in my uniform. I did not consider myself cut off from the Company. I thought the wages would be paid first, and then I would have naturally handed the uniform in. I usually call for my money, but for this I did not do so.

By His Worship:
I did not get a request to hand in my uniform.

By Mr. Rosser:
you advised me to retain my uniform until I was missed. I am not clear of the Company until the uniform is handed in. One of the claims made by the Union was that I should be reinstated. When I went to the hole in the fence I was only paid one week's wages; that was on Friday, 22nd May. With reference to the shortage of £1. I must have lost it. The bag I had was not very safe; it was very old, and the stitches had given way. I had other shortages at times, but on a wet day one can five two or three tickets away off the blocks, instead of one. The fact of their being shortages is not a very heinous offence.

WALTER HENRY HASLAM, duly sworn, examined by Mr. Rosser:
My name is Walter Henry Haslam. I am a Motorman in the employ of the Company and have been in that service close on five years. I came from Brisbane as a practical Motorman; I learnt there. I am Treasurer of the Union. I remember attending with a deputation some fourteen months ago, when Mr. Hansen was Manager. I laid a complaint that Inspector Morris had hidden at the Herne Bay terminus, to my knowledge, for over an hour, and on my nine o'clock trip I was sitting down on a box, and he came out and reported me. At the deputation I pointed this out. Mr. Hansen said he didn't order that son of thing, but when asked who did order it no answer was given. I never yet heard any solution about it. I could make no mistake about its being Mr. Morris; he had been there from the trip before. I have seen him at other times also. I do not consider it a right thing to do. I consider it right for an Inspector to report a man if in fault, but he should be told what it was for. A new Inspector could easily find means of reporting men under the present Rules and Regulations. I was reported for sitting down on the box in front of the car. It was a locker box. It would be four poles before we reached the terminus. The box was right in front of the controller. Since then Motormen's seats have been introduced. What was then an offence, when reported, now a regulation of the Court. I was not feeling too good that night, and I explained to Mr. Hansen at the time. I have seen Inspector Tickle on several occasions hiding himself. One of his places is in England Street: it is now a compulsory stopping-place: there a gable house right on the corner, and he has hidden in the doorway on dozens of occasions, and then would jump on the car. He wants to see if we are making a compulsory stop. He will make a pounce out on the car like a leopard on his prey. Also in New Street, at the Suffolk Hotel on dozens of occasions I have seen him. I have not noticed other Inspectors doing it. He has a very bad name with the men and the travelling public; he is called "Sherlock Holmes." I heard a passenger make a remark once to him about shooting himself with a revolver he is supposed to carry.

By Mr. Walklate:
I saw Mr. Morris hiding in the shadow of the Bayfield Church. I saw him on two occasions, and there was about an hour between them. I surmised he was there all the time. It was a few months before you were appointed Manager—in Paradise time." It was on the second time when I saw him that he spoke to me about the seats. I knew he was there, but did not take a seat in despite of that, but I sat down because I was not feeling well. I did not apply for relief, because it was impossible to get it at 9 o'clock at night; there is nobody about. I felt ill, and sat down. I was travelling at the time. The seat was practically as high as the seat I use at the present time. The locker can be detached. The seats we now use stand up on a spindle, and I can shift it backwards or forwards as I want. The present seats are arranged so that I can bold my hands on the driving handle and still have for my feet. The box would do just as well; I would not necessarily have to loan right forward. There was ample room for my feet, and I had my hands on the handles. I have seen Inspector Tickle hiding dozens of times. I don't know whether that points to his hiding-places being poor or my eyesight being very good. I have seen him cramped up close to the door when the car passed him. I say he was hiding; I don't imagine it. No other Inspector carried on tactics like he did. If he was absolutely hidden of course I could not see him. I have sea him hiding in absolutely fine weather: he was not sheltering then. I have no reason to object to Inspectors boarding the car at any place or to him seeing me travel along the road. I object to this Inspector's tactics. I have not put on extra speed when he made mad rushes for the car.

By Mr. Carter:
When sitting on the locker, I had the reverse and the emergency brakes under my control. Before seats came in men would sit on fruit cases, something similar to the locker. Inspector Morris is the Chief Inspector at
Ponsonby Depot, and manages the traffic. He acts as intermediate between the Traffic Manager and the men. He was at Bayfield Church for an hour, that is two trips; each car would pass twice. I don't like being subjected to the indignity.

BY MR. SHERRY:
If the locker was cornerways there would be more room for the feet; that was the position I had it in.

BY MR. HANSEN:
I knew I broke the regulations. I got no reply to my excuse, and heard nothing more about it. There are reports put in against and you hear nothing more of them. It is the espionage that I object to, not the fact of being reported at all.

THOMAS ALEXANDER STEEN, duly sworn, examined by Mr. Rosser:
My name is Thomas Alexander Steen. I am a Conductor in the employ of the Tram Company on the Ponsonby route. On May 16th of the present year I was on the night shift somewhere between 7 and 8 at Cook Street, and saw Inspector Tickle standing there; his in to hide the buttons, and his cap was under his arm with the badge turned to the back. The cap has a largo badge with the word "Inspector" on it. It was at the junction of Cook and Hobson Streets where I saw him. I have no doubt it was him. I think my Motorman also saw him and a passenger sitting on the sand-box; it was an open car. I drew their attention to it. It is the only time I saw him do this, but I saw him do other things just as bad. I knew he was on the run that day, because I saw him on the back of the car ahead of us. My Motorman was W. Breen. I saw Inspector Tickle about two months prior to this at the Reservoir, behind the telegraph pole near the urinal. As we came round the corner he kept going round behind the pole saw him, though he didn't think I did. He then went into the urinal, keeping the pole between the car and myself.

BY MR. MORRIS:
I do know that there is a system of signalling between Motormen and Conductors from one ear to another as to the position of the Inspector on the road.

WALTER LESLIE BREEN, duly sworn, examined by Mr. Rosser:
My name is Walter Leslie Breen. I am a Motorman in the employ of the Company. I am a spare man t was Conductor before that, and worked on a regular run. I was Steen's Motorman before the Strike. I don't remember the date, but I think it was Saturday night. The Conductor drew my attention to somebody at Cook Street, and when I looked I saw someone standing under the verandah, but I flashed by too quickly to notice who it was. He said it was Inspector Tickle. There were a couple of passengers on the front of the car.

BY MR. WALKLATE:
It was in the evening, and dark. I don't think there was anyone else about the corner. I saw someone standing against the verandah pole, but I don't know who it was.

BY MR. CARTER:
The Inspector is not a popular man. There are some Inspectors not so popular as others. There are several reasons; the dirty way he does his work. I have seen him step out of a doorway in Freeman's Bay on several occasions. He is the only one I have noticed doing that.

BY MR. MORRIS:
When the Conductor drew my attention the front of the car would be about half a car length on the Ponsonby side of Cook Street.

• (Court adjourned until 2 p.m.)
• (Court resumed at 2 p.m.)
• Witnesses ordered out of Court.

MR. ROSSER asked if it was the intention of the other side to call Inspector Tickle; if not, he proposed to call him before terminating his ease.

MR. WALKLATE asked if it was the intention of the other side to call Inspector Tickle; if not, he proposed to call him before terminating his ease.

MR. WALKLATE said they would call him.

THOMAS GLASS, duly sworn, examined by Mr. Rosser;
My name is Thomas Glass. I am working in a boot factory at present. I was formerly Conductor in the employ of the Tram Company. I was taken on about the last week in November, or beginning of December, 1907. I was a fortnight learning, and that time I pul in free. The last two days I was getting ready for the spare list. I started to work in the third week. I got my first pay a week later. It was only one day's pay, a matter of a few shillings. I went through the spare list. It was early in the month of April when I was put on a regular run. I was put on the Herne Bay line, and was there until discharged. I had been on regular shifts for fully three weeks. It was about the 30th of April when I was told by Mr. Morris I was wanted at the Head Office. I went down on Monday morning. I worked the fore-noon shift on Saturday. I asked if there was any special work, and was told no. I had not been getting much time on the spare and had to pay my way, and so looked out for special work. I did not any Sunday work. I was told it was a matter of option, and I had conscientious scruples about working on a Sunday. We get time and a-half on Sunday. I applied for a special, to try and make it up on
week days, I went to see Mr. Lysaght at the Head Office, and he said I was dismissed, I was taken by surprise. I could not think of anything as the cause for being dismissed so suddenly. I had been reported previously for a miss-fare, or something like that. During the time I was with the Company hardly a Conductor I knew that was not reported for that. It was during the crush time. Mr. Lysaght told me to hand my things into Mr. Morris, and I would get my clearance. I asked him what was the trouble. He told me I was not satisfactory; there were no further explanations. He never gave me a week's notice. On Saturdays I could tell who was booked up for the next week. I only got what I asked for, no week's pay in lieu of notice. There was a shortage of threepence at the time I got my clearance. I never got a reference from them. I didn't get back all the references I gave them when applying for the situation. There was one from Mr. Page, of Kingsland, another from a Mr. Glaister, Solicitor, High Street, who had known me in Dunedin I have not got those back yet. There was also one from Mr. H. G. Hercus, Missionary for the Central Mission. I never got back those three. I signed that application, in which there were about 35 questions to and was accepted on that.

BY MR. WALKLATE:

There were three testimonials handed to the Company, and not returned to me. My other references were handed back to me in an envelope, and I took it for granted they were all there. After I dismissed I examined them, and found three missing. It was the day following my dismissal that I first looked in the envelope. I didn't trouble very much; I thought I could get others. I have my license at home; I think it was given to me about the latter end of November. I had been booked up for three weeks on the regular shift. I was top of the spare list before that. I am not aware that I was taking the run a regular man who was sick. I did not demand a week's notice, expected to be reported for something, and found I was dismissed; a big surprise. I looked for work elsewhere. There was previously trouble with a Motorman about religious convictions. Another Motorman made a complaint about my ringing the bell so close to the stopping place, but the car was going into the barn, and not running a time-table. He got excited over it and said he would report me. There was also another Motorman I had trouble with. There was a who struck me in the face while at the office at the barn, as he thought I was getting more work than he was. He began to throw-off at me personally. I said I didn't like that sort of thing, and he used some bad language. I did not strike him. I had to go to the office over that have men testify I did not strike him. I don't know for certain, but was told that a Motorman refused to work with me.

BY MR. CARTER:

I was working for Mr. Page, Grocer. Kingsland. He is a man you have to keep going for, or you are no use to him. When I left to join the Tram Company he wanted me to stay on. I have never been insolent to Inspectors, I have no idea why I should be dismissed. I did not work on the tram cars on Sundays.

BY MR. HANSEN:

I left my previous employment to join tram Tram Company. I gave Mr. Page a week's notice.

BY MR. ROSSER:

That Conductor is not in the service now. He left shortly after.

I had to pay for the license, and also a doctor's certificate. I have not seen that certificate since. That was an additional outlay during the first five weeks of my employment. Apart from those little scrimmages, I know of no reason why I should be dismissed believed I was a regular man at that time, as I was on that run for three weeks, and booked up with the regular men's shifts. I was not on one run all the time, but I was fully a fortnight on the Herne Bay line.

BY MR. SHERRY:

Herdson was junior man to me at that lime.

WILLIAM ROCKLAND, duly sworn, examined by Mr. Rosser:

My name is William Rockland. I am a Motorman in the service of the Company. I have been so for about four years and six months. I had a good record under the merit and demerit system. Once I won the pound: another time I was second for it; and as a rule I have been seventh or eighth out of about 150 Motormen I prided myself on my good conduct in those days.. I am on the Herne Bay run. I have had experience with Inspectors where I thought they were acting beyond their duty. Two false reports were put in by Inspector McElwain. It was about two years ago, perhaps a little longer. I got two lots of ten demerit marks sent to me, and in those days you were punished before you were tried, and tried after. I appealed against it and won my appeal. At one lime they were metalling the roads at the barn, and the time-table was a little faster. I ran up to the metal, but not so fast over the metal. A man ran out to me with a shovel. I told him not to hold it up to me. He reported it to Mr. McElwain who reported it to the Company as if he had been present. I called him as a witness, and the demerits were taken off on that occasion. The other one happened on the same day when going to town, between Sentinel and Hamilton Roads; the metal was a bit high, and I thought the motor-case would catch. The men there didn't think so. I gave the handle a turn, but had to back again. McElwain was there, and reported me for furious driving over new metal. It is an up-grade there, and I could not drive furiously. Then Inspector Menzies reported me. My car was defective, and another man had my regular car, No. 28. There was
a smell of burning insulation, and I didn't know how long it would last. I asked a Motorman to give me back my
car, but he refused. The car I was driving was defective. The Inspector told me we had been four minutes
talking, and I was sent to the Head Office, but the report said three minutes, and nothing was said about the
defective car which made it appear as if we had been yarning. I proved the Inspector was wrong by his own
time. I left Horne Bay at 6.4. He boarded my car at 6.9 at Sentinel Road. If there had been delay I could not
have got there in that time. I saw the Traffic Manager, and when I proved the Inspector was wrong he raked up
something else. That Inspector has left the service; he left a day or two after the Strike. I had trouble with
Inspector Morris on the Kingsland run. He said I was three-quarters of a minute late, and he handed my sheet to
another man under my nose. I have known some men nearly five minutes, and spare men asking for the run and
it has not been given them. It happened last week. I don't know how to get in with Mr. Morris. I have seen
several Inspectors hiding, Mr. Morris hiding also. When that urinal was else to Cemetery Bridge he was hiding
there when I was on the Kingsland run. I don't consider it fair they should rush out on yon like he did. I have
seen one instance of danger to the Inspector in doing this this I have seen Inspector Tickle at England Street
frequently, also at Exmouth Street, on the Kingsland run it is a compulsory stop in both places. Inspector Tickle
tried to force on me more passengers than the car was licensed to carry, since the amended By-law. I had eight
or nine standing; we were supposed to carry eight, and we turned a lot people off. When we got to the top of
Victoria Street, as we passed the people there I said there was no room. Inspector Tickle got on with two
passengers. The Conductor told the Inspector to put them off, but only one got off; the other remained. The
Motorman and Conductor are equally responsible for overcrowding, I ordered the other passenger off. The
Inspector said. "He is going to stay, he was an employee of the "Company." Subsequently I found out he was a
power-house employee going home. There was another car close behind which had room. I would not start the
car until the man got off. The Inspector said I would hear more about it.

**BY MR. WALKLATE:**

I didn't object to the demerit system, I was at the deputation when Mr. Tegetmeier decided to take them off.
These two lots of ten marks were both finally taken off. Car No. 28 was my car, but it the one the other man
had on that day. It had to go into the barn, and as my car was defective I asked them to give me the car there
and then, but he didn't do so. I was about a minute talking to him. I have a good idea of the length of a minute
(Witness tested by watch.) (Stated minute gone; real time 34 seconds.) At that rate, then I only been talking to
the other man for half a minute. I have seen Inspector Tickle hiding in England and Exmouth Streets. He was
hidden to a car coming down. He was standing right in a doorway. It was no good reporting it to the Company:
a man would have to employ a clerk to send in all the reports about it. I have seen times. The deputation
brought it before the Management. At the time the Inspector allowed the two passengers to get on they did the
car, but remained on the platform. I am quite sure the car contained its full number. I had three bells. I counted
the people before I told the man to get off, and there were eight standing. I didn't count the number sitting. The
Motorman is equally responsible Conductor and there was a notice to the barn to that effect, Motorman is asked
to assist the Conductor to try and stop overcrowding I left the platform on the car. A man must leave his
platform to change round at the terminus. It is necessary for the safety public to obey the By-laws. The notice
referred to was put up before the amended By-laws came into force. The Company put up that the Conductors
would have to pay their own fines, and man was equally responsible with the Conductor. That was a year ago.

**BY MR. CARTER:**

The Inspectors are not officials over the Motormen; at least, I don't consider them so, as they don't know
the Motormen's duties; they have not passed through the ranks of the Motormen. This partiality of giving: out
runs when men are a few seconds late is done by Inspector Morris at the Ponsonby Barn. That shows there are
favours. It is not an offence to leave the front platform. The condition is that both men shall not leave the car at
the same time, and the Motorman must take the handle with him. If a pole-head carries away, I must leave the
platform. I am supposed to assist the Conductor, and the rule book says so.

**BY MR. HANSEN:**

I am not aware that the Motorman's responsibility refers only to the Motorman's platform; I was under the
impression it referred to all the car. When a Motorman passes passengers on the road he can call out that the car
is full, as he can see that by a glance aside. I am not aware of the fact that my responsibility ended with the
Motorman's platform. It was never meant that way.

**BY MR. MORRIS:**

I say on oath that half of the Inspectors cannot drive a car. Anyone can drive a car a short distance, but
cannot drive it the way it should be driven through traffic and keep the time-table.

**BY MR. ROSSER:**

These are the rules we are working under. (Rule No. 112 read.) That implies that I have a right to leave the
platform. It is a common thing for a man to leave the platform; I have never got into trouble about that. No one
can start the car without the handle. (Document as to merit and demerit system handed to Court.) I leave the
platform to examine brakes as a Motorman.

ROY HODSON, duly sworn, examined by Mr. Rosser:

My name is Roy Hodson. I am a Conductor in the employ of the Tram Company. I am a spare man. I have been in the service since the 27th of January, this year. I think no more joined for two or three weeks after me. I knew none who were on the spare list when I went to the Company. I have seen Inspectors keeping out of sight and boarding cars. I live in Ryle Street, Ponsonby. I have seen Inspector Tickle several times. I once met him going down Arthur Street, into Wood Street; there is no tram line there. He nodded to me, and I am certain it was him. I wondered what he was doing, and stopped round the corner of Arthur Street and watched him out of sight into Wood Street. I followed him as far as the corner of Rendell Street. He stopped close to the Suffolk Hotel, in College Hill. A car had just passed down before he got there. He watched there until another car came along. He must have been there fully ten minutes before the car arrived. I have a good idea how long a minute is. When the car started he ran after it. The Motorman could not see him once he had started the car. I went round Newton, as I considered my duty was done. I have seen him several times peeping out of doorways, but I cannot give any dates.

BY MR. WALKLATE:

I don't know that there is any reason why a Motorman should see the Inspector. I myself don't like being watched close like that; I would do my work better if they let me alone.

BY MR. MORRIS:

I have heard of a system of signals. I know of it; it tells as to whether the line is clear or whether an Inspector is about. If the Inspector had acted straightforwardly the men would not object.

JAMES HARVEY MANSELL, duly sworn, examined by Mr. Rosser.

My name is James Harvey Mansell. I am a Tram Conductor in the employ of the Company. I have been so for about three years and two months. I am on the Herne Hay run. I had trouble with Inspector Johnstone about four or five months ago; I think after the new year. There had been a meeting of the Union two days before, and I was at that meeting He asked me what we were going to do in Holden's cast—whether we were going to insist on him coming back. I said, "That is "nothing to do with you." That was on my last trip going home the preceding night. I think he did ask me if I was at the Union meeting. He didn't say another word after that. The next day Inspector Johnstone kept on boarding my car. He told me there were eight passengers got on at Billington's corner, and I only sold seven tickets. I replied I never counted the passengers, but I was certain everyone had a ticket. There are some cases when a passenger will give you a return ticket. I am referring to a worker's ticket. It has to be taken out before 8 a.m. but it is available any trip after that. He showed me his cuff sleeve with eight marked on it. I wanted to see Mr. Walklate, and put my case before him hut was told I could not see him, as it was mail day. I sore over it. I reported it to Mr. Morris. I went to the barn, there and then, and reported it to him. He said I could not see Mr. Walklate until I had worked my shift out but I could see him next morning. I have had no trouble since. That is a copy the report. The passengers made a remark to me later on in the evening about it. Inspects Johnstone got my waybill, and I was told by some passengers he copied all the figures on his cuff sleeve, so I said sarcastically. "Have you got "them down right?" It is not a usual thing for an Inspector to do. I never heard any more about it. I have no idea why he should treat me in that way. I never had any trouble with any other Inspector, have not been to the office at all.

WILLIAM SMALL CAMPBELL, duly sworn, examined by Mr. Rosser:

My name is William Small Campbell. I was formerly Inspector in the employ of the Company from the 9th of December, 1904, to the 2nd July, 1907. I was Conductor first, inspector second. Motorman third I was twelve months as Conductor before being Inspector. Mr. was in charge of the Inspectors. I have been told to go on sentry duty. It was about three or four months after I was appointed Inspector I was instructed once to go to Onehunga terminus in plain clothes after dark on a Saturday night. I was to go out in the train. It was at my own expense, as the Company never paid my fare, though they said they would. I was acting in obedience to Mr. Lysaght's instructions. He told me men were in the habit of delaying cars at the terminus, and said they could be easily caught if I hid behind the trucks, convenient to the terminus. I was to remain in such a position that I would be unobserved by the men. I was pretty well conversant with the rule book. I was told to report any breaches of the rules to the Company. I was not instructed to tell the men of any breach. I told him I would carry out his instructions so far as reporting the men was concerned, but so far as hiding behind trucks was concerned I had never done such a thing, and would not do it on this occasion. He told me my services would not be satisfactory to the Company as an Inspector, and subsequently threatened me with dismissal. I thereupon left him and went and changed my clothes and went out in the train. I walked up the street at Onehunga; I did not hide behind the trucks. In the course of my duty I saw a Motorman smoking a cigarette while driving a car. The next morning Mr. Lysaght met me. I told him of the Motorman smoking, but didn't know his name, but had the number of the car. I was sent to the Despatcher to get the name. It was Alf Olney. I reported the matter., I understand the Motorman got 30 demerit marks for it. I have had instructions on several occasions about men
who had given a week's notice or sent in their resignations. Mr. Lysaght gave me the instructions, and expressed the opinion to me that these men would be beating the Company during the last week of their service, and I was to pay particular attention to them and endeavour to catch them. Jack Griffin was one, also Conductor Harry Carter, and I think McPherson and Guilford were others. They bore good characters as far as I know, but during the last week I was instructed to give them special attention. I did so, but found nothing, Griffin was not on my shift. I saw an Inspector on his car several times that day. It was Inspector Ashe, and Griffin made complaints to me about the manner he was harassed that day. Mr. Lysaght expressed the opinion that "no man could be an "honest man and have charge of all that money on the car."

BY HIS WORSHIP:
I am sure of what I say.

BY MR. ROSSER:
He told me the Conductors were rogues. I got instructions in Beaston's case, Mr. Lysaght told me to report any breach of the rules committed by Beaston, however trifling they might be, as he was of no use to the Company, being too much of a labour agitator, and he wanted to dismiss him. That is the purport of what he said. (Reference handed to Court.) That reference says it was from 2nd January. 1906, to the 20th February, 1907—about thirteen months. Things worked smoothly while I was inspecting, until the time he instructed me over the Onehunga business. I joined the Union while I was Inspector. I was dismissed after that. He never gave me any reason; he said my services were no longer required. I didn't get a reference until September. I signed an application to join the Company. (Application produced.) That application is not signed. The questions are fairly fully answered. It had to be signed in the presence of a witness. I took it down to Mr. Duncan, and asked him if he would witness it. He said no, I had better get an outsider. He was the late Assistant Superintendent, and told me that form was no good, because I had not filled in for the ten years' previous occupation. This was when I applied for Motorman, and I said the first application contained that; but he said, "It will have to be filled up again," so I filled another similar form to that produced. I put in references. I got no reference from the Company but I got a statement from them giving the time I was employed there. After being dismissed, I went to Mr. Hansen and asked him what it meant, and he said he couldn't guarantee to keep any man in employment if unsatisfactory. I asked if he had anything against me. He said No I had acted like a gentleman before the passengers, or words having a similar import. He said I was not suitable. I looked for other work, but about a week afterwards I came back to Mr. Hansen and asked him to let me go on as Motorman. He said lie would consider it for a week, and I was to call again. At the end of that time he sent me to Mr. Duncan, and I got on. I had responsibilities on my shoulders as a married man, and I had taken a house close to the depot. Mr. Lysaght had always a set on me, and any trifling thing was looked upon as a great sin. A mail is very liable to break the regulations. (Instructions read.) I don't remember ever having that impressed upon me. If I had a fault to find I would take a man to the back of the platform and explain things as quietly as possible. That was before my time, in 1903, and I don't remember seeing it. I consider it is a proper way to treat a Conductor. I never went beyond my duties.

BY MR. WALKLATE:
I reported Motorman Olney for smoking, and my report is on the file. It was 1906, I fancy. The time was set out in the report; it was between 9 and 10 at night, as far as I remember. I did not swear positively it was Saturday night. Mr. Lysaght instructed me to report any breaches of the rules, and to take the time of the cars. I cannot conscientiously swear whether it was morning or afternoon. He gave me instructions sometimes in the street, and sometimes in the office, but on my solemn oath he gave me those instructions. He threatened me with dismissal unless I dressed in plain clothes. I was told the Motoman got demerit marks, and for a while afterwards he would not speak to me. I was told to watch the men who had put in their resignations—Griffin, Carter, MacPherson and Guilford. I cannot say whether they gave notice or got a week's notice to leave, but they were working notice during the time I was working as Inspector. I watched them particularly. There were others as well. So far as I know, they all bore good characters. Mr. Lysaght said the men could not be honest with all the money they had in charge, it is best known to himself why he did it. I am sure he told me. As to the statement as to all Conductors being rogues, I cannot swear as to when or where he told me that, but he most certainly told me that. It was shortly after I joined the Union that he told me that I was dismissed; but I cannot swear to the date from memory. I produced references when I put in an application, and had them back again. I was told to watch the men who had given a week's notice or sent in their resignations. Mr. Lysaght gave me the instructions, and expressed the opinion to me that these men would be beating the Company during the last week of their service, and I was to pay particular attention to them and endeavour to catch them. Jack Griffin was one, also Conductor Harry Carter, and I think McPherson and Guilford were others. They bore good characters as far as I know, but during the last week I was instructed to give them special attention. I did so, but found nothing, Griffin was not on my shift. I saw an Inspector on his car several times that day. It was Inspector Ashe, and Griffin made complaints to me about the manner he was harassed that day. Mr. Lysaght expressed the opinion that "no man could be an "honest man and have charge of all that money on the car."
left the coat, and called back next morning. He said he could not see his way to give me anything but afterwards he offered me 5s. for the damage done. I told him I could not see my way to accept that. I went to Mr. Rosser, and he wrote to the Company a letter, and there was a lot of trouble, but I never got compensation for the coat until dismissed from the service altogether. I got a pound then. In the meantime I was going without a coat whilst a Motorman. I never gave Mr. Lysaght a chance; I knew what he was. He had a set against me whilst I was Conductor too.

By Mr. Carter:
My appointment as Inspector was before I was tutored in the art of driving a motor. My duty was to supervise the Motormen when Inspector. I had no experience as Motorman at that time. As Inspector I got a week's pay in lieu of notice, but I didn't get it until two months afterwards. The men I was told off to watch were excellent Conductors, and strictly honest as far as I knew. While I supervised them in a very keen manner I did not see any case of dishonesty. It was my duty to open the motor-case when I got my coat burnt. Although I got one pound, it was nothing like the value.

By Mr. Sherry:
I had worked through the spare list with these men. and knew them. I was on the list eight months, I knew what I was speaking about when I said they were good men.

By Mr. Hansen:
When I was dismissed as Inspector I got no reason, but you said I was unsuitable. I was not smoking on that day, and you never mentioned that to me then. I was once before you for drinking whilst on duty as a Motorman. I said twice I may have taken tea from the Motormen but I had no recollection of drinking the tea that night.

Mr. Hansen:
I wanted to prove merely that this Inspector was very familiar with the men.

Witness:
It was out of a billycan; they don't carry bottles.

By Mr. Rosser:
I admit I was drinking tea; it was nothing else.

By Mr. Sherry:
It is ridiculous that I cannot take a drink of tea with a Motorman.

By Mr. Rosser:
I am now employed at the "Herald" Office, and have been there ever since I left the Company. They know I am giving evidence here. I have had no complaints about drinking with reporters. I have their entire confidence.

By Mr. Morris:
I qualified as Motorman after I left as Inspector. I began to qualify about three months before I was dismissed; but I am speaking from memory. I was instructed Mr. Lysaght to look after these men, but I had no recollection of drinking the tea that night.

(Adjourned until Friday morning at 10 a.m.)

(Court resumed Friday, 10th July, at 10 a.m.)

Clarence W. Smith, duly sworn, examined by Mr. Rosser:
My name is Clarence W. Smith. I am President of the Union. I have been President since the beginning of the year. I have been in the service about four years and nine months. I was about eighteen months as Conductor, and the remainder of the time as Motorman. I am on the regular list on the Kingsland line. I know something of the working conditions; for the past four years they have been unsatisfactory. There has been discontent because of certain officials. I have a good record. If the office of an Inspector falls vacant, promotion is usually made from the ranks. About two years ago I was asked by Mr. Hankinson, officer in charge of Ponsonby Depot, if I would care to become Inspector, He said he was going to recommend me if I would accept, and I told him I would let him know later. I had a conversation Inspector Griffiths, and he advised me not to. Me was Ticket Inspector at that time; he is not in the service now. He said I had a good in Mr. Duncan, and I would be changing for a bad one. I took it that meant his boss, Mr. Lysaght. He also said my life would
not be worth living if I took the position of Inspector. The Inspectors were not in the Union then. It was proposed to me again later on. Mr. Morris asked me not very long ago, about three or four months. It was about the time Inspector Tickle was appointed. I told Mr. Morris I didn't care about the position; the wages were not high enough, and the too long. With regard to what is termed "Blacklegs," I remember morning, about 7.30, when I had just arrived in Queen first trip to town, there were four Epsom men waiting for me who me Mr. Reuss had been put back on his run that morning, and should they leave their cars or continue to work. I advised them to continue until I rang up the Secretary, for him to see Mr. Walklate some system of signalling does exist. It was only Epsom men who me that morning. They are against them, and the general feeling at Ponsonby is also the same. I attend all meetings. I consider it is against the interests of peace and harmony that these men (Reuss and Spry) should be allowed to go back; there will be trouble if they do. These two men are Motormen, and they require a Conductor to work with each. I have not known the Conductors to refuse to do this, but it was reported that one man refused at Epsom. I have heard the men use the expression. "One out, all out." With reference to the espionage by Inspectors, I have noticed it on two occasions by Inspector Tickle. He was behind the telegraph pole at the Junction Hotel one day. I was coming to town, and he was playing hide-and-seek with me; he worked his way round the pole. I almost stopped the ear and looked at him. My attention was drawn to it first. The idea came into my head that he was childish. I did not consider it a proper place for an Inspector. In Jervois Road he reported me for having: a passenger on my front platform and talking to a Conductor. The man was partly intoxicated, and I rang up the Conductor and asked him to get him inside. Inspector Tickle was behind a telegraph pole then. I got a "Please explain," and that was the report I gave in answer to it. The Motorman cannot protect himself from people asking questions; that was done on the small cars; since the accident on the Herne Bay line, when a Motorman was hit with a brake.

By Mr. Walklate:
The working conditions during the last four years were not satisfactory. The previous nine months I never took much notice of, as I had no intentions of staying with the Company that lime. I do not know what Mr. Hankinson's duty was in appointing an Inspector at that time. I have nothing personally against any official of the Company or Mr. Lysaght. If Reuss and Spry go back to work there will be trouble; there will undoubtedly be another Strike. That does not necessarily mean that the men are not prepared to abide by the Agreement before the Court. It is my opinion that if these men are sent back to work the men generally will strike. It is only an opinion. The men will not work with them. It does not mean that the men are not prepared to act up to the Agreement as signed.

By His Worship:
The men intend to stick by their Agreement but they will fee! sore at their having to go back and work with the "Blacklegs."

By Mr. Walklate:
I cannot give you the date when Inspector Tickle acted as stated. I was running a special car to Epsom to Alexandra Park, one Show Day; it is since January this year; between January and February, and my Conductor's name was Belmont. The second occurrence will be found on the report I put in on the same day.

By Mr. Hansen:
I said that during the four years the working conditions were not satisfactory. There were other matters that kept me in the service.

By His Worship:
I said the men would feel very sore if Reuss and Spry were put to work. I was referring mostly to the occasion when they were put back, and the dissatisfaction of the Epsom men.

By Mr. Rosser:
I know of nothing whereby the men or the Union have stated anything other than that they will obey the Award of the Board; nothing at all. I have heard men speaking about it in the course of conversation and they said they would have to obey the Award.

Patrick Coady Buckley, duly sworn, examined by Mr. Rosser:
My name is Patrick Coady Buckley. I am a Motorman in the employ of the Company. I have been in the service four years this, or last, month. I was a Gripman employed in the Melbourne Tramways and Omnibus Co. prior to that. As far as I know. I have a good record with this Company. I was president of the Union for two years previous to Mr. Smith being appointed. I have not been reported a great number of times. If an Inspector wants to report a man they can catch him almost every trip. I have seen Inspector Tickle behind the posts repeatedly. One day coming down College Hill I got three bells, indicating the car was full up. There was a lady standing at Wood Street I found out after I passed that Inspector Tickle had been standing behind a telegraph pole, obscured from my view. The pole was large enough to hide him. He made a dart out afterwards, but missed the car, as he had given me nearly fifty yards' start. I have seen him repeatedly at England Street, but you cannot see him until you abreast of the pole; it is a very wide one, and he has ample room to hide himself.
there. Behind that pole there is a recess for doorways in front of two houses. I have often seen him step out of that place at night time. Also at Curran Street he has very good cover; and at Sentinel Road and Victoria, Street, in Queen Street, outside the Union Bank; also the Victoria Arcade, corner of Shortland Street. I saw him watching when I was off duty. The Strike trouble was general: I never saw a body of men so unanimous on a question in my life. I should say 1,500 to 1,600 men are employed in the Melbourne Co., so I have had experience with other bodies of men. There seems to be a good deal of competition between the Inspectors. I remember Inspector Campbell telling me he expected dismissal at any time. Inspector Griffiths told me he was very much dissatisfied with the work he had to do, and intended to leave. He is now in Melbourne. I can swear positively that Mr. Lysaght did of these goings on, as I told him myself. It was about three months ago; one night when he was on the box alongside of me and I was driving. I said in the first place that Inspector Tickle was irritating the men, and he had a very irritating way with him. He said he had heard it before. I said he had a habit of rushing out from behind telegraph poles; and Mr. Lysaght said, "He should do his work in a straightforward manner, and he doesn't do it." I was not on the last deputation, but I know that strong comment was made, but no satisfaction got the Company. Mr. Walklate received it well, but nothing came of it did not come much in contact with Inspector Tickle. I was told by one man he was not to be trusted, and to beware of him. The man me he picked up a 4d. ticket, and asked him for the last check, wanted him to sell it over again. I was not present at the deputation, and didn't know that that was brought forward at that time. I not take an Inspector's billet at five pounds per week under the present conditions. I would not resort to the dirty tricks; I would sooner a pick on the road. I think a Strike was a foregone conclusion if and Spry had been kept on. I was a delegate, and went with you and Walter Haslam to see Mr. Walklate, also Mr. Smith, as President. Walklate said these men have been off a considerable time, and he saw no reason to keep them off any longer. You, as Secretary, advised him to consider the temper of the men. Had one of these men been a Motorman and the other a Conductor, the difficulty might have been got over; but you thought some of the men would not work with them. He finally decided not to put them back to work, and said, "This is a very great "concession on my part. I did not intend to do this." I understood the concession was to remain, pending the settlement by this Board. I didn't expect that Reuss would be put on again about a fortnight ago. I didn't think Mr. Walklate would run that risk. The feeling was general amongst the men.

BY MR. WALKLATE:

I can give you no dates, as, unfortunately, I did not keep a diary. It was this year, as I have only been on the Herne Bay run this year. As soon as the oar passed Wood Street the Inspector came out hurriedly. He did not report me for it. I saw him after I got past, but he was obscured from my view until after the oar was abreast of Wood Street. Referring to the Melbourne Tram Co., there was no trouble there at the time I loft. I was employed for five months after that. I left that Company of my own accord. I didn't give a week's notice: a day's notice is sufficient. You are supposed to give a week, but if you request to get off sooner a day is sufficient. I received a five years' reference from them I have been treated by Mr. Lysaght satisfactorily, as far as I know, and my treatment by the Company has boon satisfactory; but I was under the impression that Inspector Tickle was harassing me or attempting to do so. He has reported me on several occasions. I have never received punishment, beyond going to the office on one occasion, and his report was not altogether a true one then. When President of the Union I was treated fairly well; I had nothing to complain of If it has boon suggested that anyone in the service of the Company taking a prominent part in Labour matters does not get proper treatment, that does not apply to myself.

BY MR. CARTER:

I remember one incident of a man taking an active part, and being dismissed. The working conditions are not satisfactory, or there would not have been a Strike, I have heard lately of complaints at Ponsonby Depot about runs being given away. I know of some men of good reputation in the Company who have been offered the office of Inspector, and have refused to take it on the ground of the work they have to do. I knew of a man taken off the spare list of Inspectors and put on as an Inspector. It seems to me that the Inspector who gets in the most reports gets the host promotion.

BY MR. HANSEN:

I understand that Inspector Morris has boon promoted from Inspector to Depot Manager: there has been another case at Epsom.

BY MR. ROSSER:

It was Inspector Menzies. He was on the spare list, and he was not on very long to my knowledge. It was his second term with the Company. He is not now in the employ of the Company His career didn't last long.

BY MR. MORRIS:

I have often heard arguments at the Ponsonby Depot as to runs being given away. It may be six or eight weeks ago. There were similar complaints over twelve months ago. I have never had an argument about it.

JOSEPH PATRICK HUGONNET, duly sworn, examined by Mr. Rosser:
My name is Joseph Patrick Hugonnet. I am Conductor in the service of the Company and have been there a little over two years. Mr. My run is on the Arch Mill line. I have seen Inspector Tickle at Princeps Street. I have seen the car going full speed, and he rushed out from behind a big house there to catch the car. One night he got left by A. P. Haslam. I don't know whether he saw him or not. I have seen him hiding at the top of Grey Street, and one of the Motormen also sir him, with his hat turned; to front. My Motorman was William Kerr. I am positive of it, as the Inspector got on my car at that particular time. I don't like being spied on. About three or four weeks I had a conversation with Inspector Tickle. It was my first trip out that morning, and there was a fireman on my car. They test fire-alarms each morning. He said he was going to the Lamps, and gave me a half-penny, and went inside: but when we reached Hamilton Road he said he had forgotten something, and got off the car when moving. Inspector Tickle jumped on at Hamilton Road, and before getting on to the step he said, "There is a halfpenny lost to the Company." I said, "Give me "a chance: what do you mean? You should make sure before you say "that." I showed him my waybill and block, and he said, "Oh yes; I "made a mistake." I said, "if you make a mistake, there is nothing "more about it; but if I do I have to go to the Head Onice." I have been down twice. I think, and you have to go in your own time. I have heard of a man losing his run to go down there. I am an Australian a native of Sydney. I know a good deal about the Sydney service as I travelled on the trams every morning I went to work. I also have a brother-in-law in the service. I was over there for my holidays about twelve or thirteen months ago. Such tactics as Inspectors employ here are not employed in the Sydney service. They have 700 cars, and there are about six inspectors, you travel all day, and may not see one. I never heard of such a thing as hiding behind poles there. Inspector Tickle also reported me falsely, and I have been feeling it ever since. He reckoned I carried a ladder on the platform of the car and refused to charge the man for it. I didn't charge him for it: but it was on the step of the car, outside the chain, the man holding it there. If he had said that I had not charged for it the Inspector would have been right, but he said that I refused to charge the man. The man was sitting on the sand-box.

**By Mr. Walklate:**

I cannot tell the date when Inspector Tickle got on at Princeps Street, but he has done it several times. It was this year, about a fortnight ago the last night shift I was on, I think, and I am on night shift now but I would not swear that it was a fortnight. Over the incident of the fireman the Inspector admitted he made a mistake. He had no right to accuse me before he got on the car. When I came to the office it was in my off time. As to the incident of carrying the ladder on the step, I told Mr. Lysaght after the matter was investigated I was satisfied. I have nothing against the Traffic Manager, as am personally concerned.

**By Mr. Carter:**

Mr. Tickle's report was read out to me. I distinctly heard the word "refused." I should like to see the reports, and I think it right a man should do so.

**By Mr. Sherry:**

In the incident of the fireman, it was lucky it was Hamilton Road, instead of further along the road.

**By Mr. Rosser:**

I cannot give dates, because these incidents are of daily occurrence, especially on the night shifts; it is quite a common thing. I was one of the delegation that waited on Mr. Walklate about the harassing of inspectors. Three men drew his attention to it. That affair about a fourpenny ticket being sold again was also mentioned to Mr. Walklate. Mr. Walklate said something about if the Inspector was a bad Motorman he was a good Inspector.

**James Benjamin Cox, duly sworn, examined by Mr. Rosser:**

My name is James Benjamin Cox. I was formerly in the employ of the Company as Conductor and Inspector, and was about four years in its service. I left about March, 1907. I was dismissed. There was absolutely no reason given, and I have not been able to get any reason for it since, but I have an idea. I was three and a-half years as Inspector. Mr. Lysaght was my superior officer, and I received instructions from him. I had instructions about the merit and demerit system on a printed form, and I also got typewritten instructions. (Document handed to witness.) That is from Mr. Carey. It reads as follows: "We "cannot impress too strongly upon you the necessity of showing as much "good feeling as possible, but still firmness to the men under your "charge, as you must remember that by abusing a man, or talking "harshly to him, is the reverse of discipline. If you have occasion to "correct an employee under your charge, by all means let your words be "brief and stern, and not in the hearing of passengers". I don't think it fair for an Inspector to speak to a man in front of the public: it would cause a row in the car: it would belittle the Conductor in the eyes of the passenger, probably. I followed that instruction out I received instructions as to sentry duty, and watching the men at times. I got them from Mr. Lysaght. I was given a note to go to the Three Lamps, to be there at 6.30 a.m., to place myself in a position where I was not seen, and report all irregularities or breaches of the By-laws. I went there in my uniform. I was told to go in private clothes. I stopped there until a-quarter to nine a.m. Mr. Lysaght came by, and asked what I was doing there, and I told him I was acting under his instructions. He told me to get back on
the car. I was no good at checking, I "might as well have had a Union Jack to fly over my head." as they could all see me in my uniform. He would put another man there who understood the work. I went out to Onehunga lots of times. It was suggested I should go out at night time and place myself in a position where I could not be seen. Mr. Lysaght gave those instructions: I don't believe anyone else would do so. I was to put on old clothes, so that I should not be known. He suggested going in my own time, when off duty. It was to catch the men napping. I never went once at night time, and I defy any Conductor to prove that I did. I have known of other inspectors having done that. Inspector Bonner complained to me that he could not get his train money out of the Company. Inspectors used to go out regularly. He went out in the Mt. Eden 'bus, and used to walk out in the evening to Onehunga. I believe inspector Morris did so. He got a book from Bonner to fill in his reports, as his own were full. Bonner and I were very intimate; we told each other everything. I am of opinion that an Inspector should report any breach of duties by the men, providing they were not trivial. He should speak to the man first, and if he persisted, he should be reported. I have every reason to believe that Mr. McKay's sister-in-law was a female detective, a Miss Daniels. I have been approached by Mr. Lysaght many times, and suggested that I should get my young lady, or any of my sisters, assist him to set traps for the Conductors. I know of one man who fell in such a trap. It was done by a female detective; at least, I have reason to believe it was. My duties started at 6.30 a.m., then I would get off at 1; on again at 2, and off again at 3; at 4.40 I got three quarters of an hour off, and then finished at 9.30 p.m. That was in the morning shift. In the afternoon shift we started at I during the winter, with three-quarters of an hour for tea, and finished at midnight. I started at £2 5s., and finished at £2 15s., for six days' work. I have had no reason to regret leaving this remunerative service. I get every Saturday afternoon off now.

BY MR. WALKLATE:

I cannot tell the date when I was sent to the Three Lamps by Mr. Lysaght. I kept every paper given or sent to me until I finished my service with the Company, and then I destroyed it. I had it in writing, to go in private clothes. Mr. Morris will remember the night; he in Chapel Street with false whiskers on. I was not personally instructed. Mr. Lysaght would say, "I would like you to do this" or that. He was continually telling me he had anonymous letters about picking up tickets, and when I had had the experience he had I would know that there was not an honest man in the service. They were as plentiful as sheep, according to Mr. Lysaght. General instruction might be sent by Mr. Carey or by Mr. Hansen; that is, as to the merit or demerit system. My direct instructions were from Mr. Lysaght had a copy of those instructions signed by Mr. Carey.

BY MR. CARTER:

I am positively sure he said there was not an honest among them. When appointed as Inspector I was a Conductor off qualified as Motorman afterwards. I have known Inspectors come off the spare list. I think Inspector Campbell did so. Mr. Morris was only a fortnight on the spare list, as far as I know. He conducted a car on Sunday, and started Inspecting on Monday. He wore whiskers when he was looking for a witness for a case. He was not in uniform at the time. I received a week's pay, and was robbed of a week's McElwain and I were instructed by Mr. Lysaght to leave our in abeyance until the traffic was fixed up, and then they refused to give it us. I knew the Inspectors well. There are men who do their work faithfully, I have known an Inspector catch a good man and it to another Inspector. It is a usual thing.

BY MR. ROSSER:

I am employed in the Railway Goods Shed at the present time, and have no reason to regret the change.

HENRY CARTER, duly sworn, examined by Mr. Rosser:

My name is Henry Carter. I am a Motorman in the employ of the Company. I have been in the service since the inauguration of the electric traction here, I remember the first Strike, in November, 1906. I know the circumstances that led up to that Strike. I was appointed by the men to act with the Secretary. They met in an empty auction mart in Queen Street, and appointed Mr. Rosser and myself interview Mr. Hansen. Mr. Hansen introduced the editor of "Saturday Night" to me as I understood to be Mr. Reid, of the "Star" Office, but I may have been mistaken. I found out afterwards that it was Mr. Regan. We consented to his remaining. Mr. Rosser and I made statements as to men being anxious as to going back to work. Mr. Hansen expressed his surprise and disapproval of the men's actions, after all he had done. We had reports read that were written against Beaston by both Mr. Kidd and Mr. Mills. One report asked for a change of Conductor. The report produced to this Court is not the right one. I am certain of that. I remember quite well some of the things that were in that report. It stated that Beaston had delayed the Motorman in his duties, so that he could not maintain the time-table, while Beaston was arguing Trade and Labour Council matters with passengers. That was signed by Mills. That was read to me as Mills' application at that time, and I drew your attention to the fact. Mr. Hansen. I said that Beaston was incapable of using the words "B Mr. Lysaght," as I was working with him in Christian work in the city. It was suggested that it might have been "Bother Mr. Lysaght," and Mr. Hansen said there was not much difference. When the men were brought from the auction mart. Mr. Hansen said, "Don't break the furniture." There was a large number of men crowded in there. I was doorkeeper for a while, and Mr. Lysaght
stood near me. When Mills came in. I remember distinctly that he was very indignant. The report you read was the same as you had read at the office; it is not the one now produced. I am absolutely certain of that. (Extract from "Herald" of November 15th read.) I remember that well; it briefly puts the situation. Mr. Kidd's report was a very striking one for the Manager of a Depot to send in, but that report must have been added to. In the meantime Mr. Lysaght had disappeared. I did not read the report myself; it was handed to you by Mr. Hansen. Mr. Kidd's report asked that Mr. Beaston be severely dealt with, because of writing obscene words with a wax match on a window. That was what made me strike.

**By Mr. Walklate:**

I saw the report myself, but did not examine it minutely. It was Mills' report and his signature, it was on ordinary report forms. The first interview was with Mr. Rosser and myself in the inside office with Mr. Hansen. The report was read by Mr. Hansen, and then passed to Mr. Rosser. On the second occasion Mr. Rosser read the report.

**Mr. Walklate:**

It will be better to call Mr. Hansen with our other witnesses later on.

(Court adjourned until 2 p.m.)

William George Bassett, duly sworn, examined by Mr. Rosser:

My name is William George Bassett. I am a Manufacturers' and Commission Agent, at Palmerston Buildings, Auckland. I was formerly in the service of the Tram Compan for about three years. It was 1902 when I first joined. I forget the month. I was there until the end of 1905; it was the last pay-day in December. There were two reasons for my leaving; my health was not too good for some time previously, and my manhood would not allow me to stay in the same office as Mr. Lysaght. He ranked as my superior officer. I threatened for over six months to resign. I told my people at home I was getting very disgusted with it. I am not sure whether I told Mr. Hansen. I didn't approve of the way Mr. Lysaght dealt with the men, and drew Mr. Hansen's attention to it on more than one occasion. When first engaged I was a Private Inspector, to go round the runs, and, having no uniform, was not known to the men. I had to pick out defects that a man in uniform might not see. I was afterwards made known to the men, and had an Inspector's uniform, and had to report on straight forward defects, of course. I had also inquiry work with regard to accidents, and had to set out details of evidence where required. The men got to know me thoroughly. When first I came on we had a good lot of men, but there were a few pretty crooked ones amongst them, but they were weeded out. It was referred to in the papers then that we had as fine a body of men as you could find in the world. Mr. Lysaght's opinion was always the opposite. That is one thing I didn't agree with him for. He expressed it on many a time, especially as to Conductors; "they were "all thieves; there was not an honest Conductor amongst them." He said it in the street, and in the hearing of other people. I was always against it, and brought it before Mr. Hansen. I maintain a man has no right to make a sweeping assertion of that sort. It is his duty to deal with other people in the same way as he would like to be done to in a like capacity. I expostulated with him over this assertion more than once. It was at the Despatcher's pole, at the bottom of Queen Street. I laid it before Mr. Hansen in black and white, and he remarked that it was unfortunate, but there were some men who were not quite straight. He said, "Some men." I quite agreed with that "some," but not "all." Mr. Lysaght dealt with the Conductors under the Inspectors' reports, and Mr. Duncan with the Motormen. It seemed to me there was no system. If he liked the men, they would get off; if not, they would get 30 demerit marks, or dismissal. I was there during the merit and demerit system. In my opinion it worked fairly well. It was the administration of the system, not the system itself, that was bad. I have known men reported for certain things, and the reports have been stretched. My own reports were stretched, and men have said they considered they were not treated fairly. Things have been mentioned in the reports made by me that were never put in by me at all. I suggested to Mr. Hansen in writing that the reports should be treated in the same way as Post and Telegraph Office work; that is, every man should have a copy sent with the "Please explain." He would thus see what was to be met, and give it explanation. The man would see that he had received so many demerit marks under charge for so-and-so. Mr. Hansen said it would be a large order to send all reports to the men, but issued instructions that the men should have the right to see reports made against them, provided they came into the office within forty-eight hours. It worked better after that. That was continued while I was in the service, but I hear it is not so now. My relative is the young man sitting next to you; he is as close as an oyster. The men had to give a week's notice of their intention to leave the service. That was the rule. Special attention was given to the men who had given notice. I am aware of that. The service. That was the rule. Special attention was given to the men who had given notice. I am aware of that. The men got to know me thoroughly. When first I came on we had a good lot of men, but there were a few pretty crooked ones amongst them, but they were weeded out. It was referred to in the papers then that we had as fine a body of men as you could find in the world. Mr. Lysaght's opinion was always the opposite. That is one thing I didn't agree with him for. He expressed it on many a time, especially as to Conductors; "they were "all thieves; there was not an honest Conductor amongst them." He said it in the street, and in the hearing of other people. I was always against it, and brought it before Mr. Hansen. I maintain a man has no right to make a sweeping assertion of that sort. 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The men had to give a week's notice of their intention to leave the service. That was the rule. Special attention was given to the men who had given notice. I am aware of that. The better the man, the worse treatment he got in that case. It is a fact, nevertheless. Mr. Lysaght said, "Why should we go "to the trouble of training the men", then they clear out, and the last "week they make as much as they can." He has put two or three Inspectors on to dog the one man. Inspector Kempster was one Inspector sent for by Mr. Lysaght to dog Frank Lones, and make a special thing of it. I was told he was making money and must he caught. Kempster was dismissed afterwards. He was not up to that sort of work. Mr. Lysaght preferred the
men to leave without reference at all; I don't know why. He thought after they were broken in by the Company other people got the benefit of them. He said that. I remember it distinctly. All the men were worried by Inspectors then. I remember one time, in the old Engineer's office, Mr. Lysaght said to one Inspector that he had had no reports from him for the last few days. He said, "You must get something to report." It was that sort of tiling that made some of the Inspectors bide, and so on. It caused them to put in trivial reports and hound the men. Mr. Hansen got any amount of anonymous letters. One was about Inspector Griffiths and myself. Orders had been issued a few days before, saying that Inspectors were not to converse while on duty. Mr. Hansen himself said he did not refer to me. Mr. Lysaght came to me at the pole and said Mr. Hansen wished him to convey a severe reprimand to me for talking to Griffiths by the firebell in Grey Lynn on the previous Saturday night. I said I would not do any more work until I had seen Mr. Hansen. I saw him, and he said that he never sent any such message to me. He said he received an anonymous letter that we had been seen talking, and gave it to Mr. Lysaght to hand to me and try and find out who had sent it. He talked to Mr. Lysaght pretty straight over the matter, and the letter could not be found. I have only heard about Inspectors being planted so they could not be seen. Mr. Lysaght asked me to get my friends to make reports, and the other Inspectors also. He said his friends could not be brought into the matter. There was a boy or a little girl, brother or sister-in-law to Inspector Mackay, sent out to try and trip Conductor Watson on the Herne Hay line. They purchased a ticket and marked it. Watson was afterwards brought before the Court but the case was dismissed. I consider that a rotten state of affairs. If you have to employ anyone to do that, then pay them for it; not get your friends and do it for nothing. Mr. Lysaght used to come to the inquests occasionally. There were always questions as to the brakes, etc. It was the Engineer's business to get evidence as to that. I never heard Mr. Lysaght give evidence any time, and he did not fossick out evidence to my knowledge. I heard him tell the men that if they said the brakes were all right the Company would stick to them; but if they said otherwise they would get the sack. There never has been peace and harmony under Mr. Lysaght's managership of the traffic; and yet there could be, if Mr. Lysaght would alter his tactics; but I doubt if he could do so. (Clause 5 read.) I think, in the Company's own interests, he should be removed from contact with the men; I don't say put out of his billet. I have no feeling against the man, but against his methods, and think I better he should be removed from contact with the men. That is my honest opinion, and always has been. You cannot handle men like sheep. You want to try and raise them, and they will appreciate you if you do. They have an Appeal Board in Wellington, I understand. I think an Appeal Board, constituted of two representatives by the men and two by the Company, to hear any dispute like this, would be best in the public interests, in the interests of the men, and the interests of the Company. It works well in the Telegraph Department, also in the Railway Department, and the men have a feeling of security, and in all circumstances have the chance of bringing forward reasons or proofs. If a man were discharged he could not appeal against a Board constituted in that way. As Private Inspector, my position was not regarded favourably by the men. I was blamed because I was too familiar with the men, but I failed to see it. There is a vast difference between familiarity and friendship. I took the Secretaryship of the Union, to put it straight for the boys, I was elected at a regular election against one of the most popular men in the service. I was rather proud of it. My position had not been too rosy on the runs, but I endeavoured to act fairly. I was your predecessor in the Union. I left to take up a position in Christchurch. While I was there I had a lively time. One cause was because I was from Auckland. They were very jealous there. There were two men there; officers; had also come from Auckland; one had to clear out for debts, and the other because of some trouble with a girl. After a good deal of trouble I told the Board I would resign unless they were dismissed, for they had been telling lies all along. I resigned. I was given a nice little sum of money by the Board, and asked to go back They sent to my private house for me, and the Traffic Manager said he was sorry for the action taken in the matter. Since then I have been in business in Auckland.

BY MR. WALKLATE:

There was a mention in the newspapers about the fine body of men more than once. I have a clipping in my office now. There were often letters against the Tramway men, but this was someone writing in their favour. Mr. Lysaght not only told me, but he has made public assertions in public streets, "that all the Conductors were thieve." In my old reports I mentioned this to Mr. Hansen: they could be referred to I put most things in black and white. I cannot give you any date; it was done so often. It was during the last eighteen months I was in the service. Reports were stretched and added to I won't say written additions. I know Mr. Lysaght brought men down on the report I had made; perhaps for smoking or some small affair; but he would add more but he would than was on the report, so as to shut the men up and get them out of the office. I have seen him take up my own report while I was in the same room, and add something that was not true; it was that sort of thing that made me dislike him. If be had other information, why should he say it was my report? I object to a man in it is uniform hiding; British, and not manly. I think there is a very great difference when he is a Private Inspector. I objected to those in uniform being told after their ordinary work to go out in plain clothes. In my case, it was my profession, and I never had occasion to hide under ditches or turn the coat to hide buttons, or so on. I saw a man
crouching down lately near St. Matthew's Church with a uniform on, less than a month ago. I was only Secretary of the Union for two or three months. As a Special Inspector, I was not under Mr. Lysaght; I was only under him for a few months. All reports went direct to Mr. Hansen, and I was under his orders. I might assist Mr. Lysaght and his men at times. The last month or two I was solely under Mr. Lysaght, and that is why I left. I was in Christchurch two or three months. I came back in June, I think.

**BY MR. CARTER:**
I should say the Inspectors were not taken from the best men in the ranks. Two or three Inspectors were real good men but as a rule they were not suitable for the position.

**BY MR. SHERRY:**
I was not connected with the Union when with the Company. I left the Company. I had always been against the Union. There was very little trouble on the Motormen's side: they were under the control of Mr. Duncan. I began to see the only chance the Conductors had was to form themselves into a body and stick together pretty close, otherwise I they would be treated as dogs. I was a "Blackleg" before that, and didn't believe in Unions.

**BY MR. HANSEN:**
I don't think I have ever spoken to Mr. Lysaght since I have left the service. I don't care to be seen in his company. The result of my labour us Private Inspector was satisfactory to the Company, so I understood. Private inspection is a good thing decidedly, if done in a straightforward way; no man objects to being looked after, but he objects to being jumped on: that is the difference.

**BY MR. MORRIS:**
When Inspector I don't remember asking the Conductors what they thought of Mr. Lysaght. I had my own opinion, and that was sufficient for me.

**BY MR. ROSSER:**
I say I saw an Inspector, within the last month, in uniform in Hobson Street, at St. Matthew's Church, watching down Wellesley Street. It was behind a timber fence going round the church. It was Inspector Tickle. I travel a good bit by the cars continuously. I only get a pass when I pay.  

**SPENCER FRANK BROWN, duly sworn, examined by Mr. Rosser:**
My name is Spencer Frank Brown. I am a regular Conductor on the Ponsonby run, No. 2. I remember May 11th of this year, the week before the Strike eventuated. I was on the morning shift, when Inspector Tickle boarded my car at three minutes to twelve from town, and occupied a seat inside the combination car. The car was full. The Rules say, "No official shall occupy a seat when required by a paying "passenger." He took the seat, and remained in it. He was practically in private clothes. I had a full car, and had to turn away two ladies. At the top of Wellesley Street I turned away two men. I asked him to give up the seat. He admitted he should have given it up, but for some reason he refrained from doing so. I sent in a report the same day but I have heard nothing more about it. There was no acknowledgment whatever. If I had been reported I should have to go to the Head Office next day. That is where the dissatisfaction lies; men waste a lot of time to the office about small reports. I have never lost time myself, but I know of others who have. I complain that my report was suppressed.

**MR. ROSSER said he could call plenty more witnesses, but it would only prolong the inquiry, and it would be corroborative evidence. He proposed to go in the box himself, so as to depose as to that report and also as to letters written by him to the Company, so as to show the Company had been cognisant of this all through.**

**MR. ROSSER, duly sworn:**
My name is Arthur Rosser. I am Secretary of the "Auckland "Electric Tramways Industrial Union of Workers." I remember November 14th, 1906. It was on that day the first Tramway Strike occurred. I was appointed by a meeting of 115 Motormen and Conductors, held in an empty room in Queen Street, and Mr. Carters was appointed also, to act as mediators to approach Mr. Hansen with a view to an amicable settlement of the dispute. We went to Mr. Hansen's office. It was near 5 o'clock, as near as I remember, and I corroborate Mr. Carter's evidence as to that interview with Mr. Hansen representative of the "Saturday Night" paper was also in the room, Mr. Hansen produced a report that purported to be signed and sent in by James Mills, and it was read to us. After a good deal of argument it was decided to send for the men from the auction mart. I waited with Mr. Hansen, and I think Mr. Carter went up to inform the men they would be received at the office. The men came, and they were admitted None but employees of the Company were supposed to be admitted. There were over a hundred in the office, and the Rev. Mr. Gillam also present, and acted Ultimately as a third mediator, along with Mr. Carter and myself. Eventually the report of Mr. Mills re Conductor Beaston was called for and read. I noticed that there was an addition made to the report. It seemed to me to be in a different handwriting although I was not familiar with Mr. Lysaght's writing. After time was consumed in persuading the men to listen to a proposed settlement and discussing the terms of that settlement, in which Conductor Beaston also had a say, a commotion was created by Motorman who had just arrived and been admitted. Mills jumped on the polished counter, and said that "I demand that that report of mine be read "again; I have not heard it."
Mr. Hansen again handed me the report and I read it. I noticed again that the addition was made in a different handwriting. I swear that the report presented here by the first day of this inquiry is not the report or application read by me on that day, purporting to be Mills' application for a change of Conductors. Subsequent to that, when matters had been reduced to a working order, and application was made to Mr. Hansen to consider that report, that was said to be added to by Mr. Lysaght. Mr. Hansen's reply was that as matters had been reduced to working order it was not wise to re-open the matter. I think that was the answer to us.

I accompanied Holden when he was before Mr. Lysaght and Mr. Walklate, and I corroborate his evidence bearing on his dismissal.

I also accompanied James Brown, C. F. Cate, and Herdson in their interviews with Mr. Walklate. I corroborate the evidence that has been given by those subpoenaed here respectively—that is, Brown and Herdson. Cate is in the Hawke's Bay district, and could not be got.

I also wish to state that letters have been sent to Mr. Walklate notifying him of certain matters. I will depose to the page of the letter-book I have here, and will send copies into the Board, accompanied by the letter-book, to compare. The first letter is on October the 9th, 1907, page 145, addressed to Mr. Walklate. (Letter read.) The next letter is dated March 14th, 1908, page 175, also addressed to Mr. Walklate. (Letter read.) There is another letter of 6th April, 1908, page 204. (Letter read.) I wish to say that that deputation met Mr. Walklate on Monday, April 27th, and it was from men who considered that they had been harassed by these Inspectors, and I addressed it to Mr. Walklate, asking him to have these two Inspectors in attendance. The letter is on the 24th April, 1908, page 211. (Letter read.) With reference to that, Your Worship, I received a reply from Mr. Walklate to say that previous to receiving my letter he had made arrangements for the two Inspectors concerned to be there. They were there when the deputation was present. I merely wish to place it on record that the Company have received due notification of certain matters now in dispute.

I have the originals of these letters, and will hand them in to the Board, instead of Mr. Rosser handing in his book. About the letters. I don't want to ask any questions of Mr. Rosser. The only thing is about the incident of the report, and I almost think I had better leave that to Mr. Hansen, as he was there at the time.

WITNESS:

I have read the report. The addition to it is in a different handwriting to the body. Mr. Lysaght was the officer who had charge of the report, and he is supposed to have made the addition. There is no proof, but the Company is responsible for what was read out. I am sure about the letter being read; it was not a typewritten one.

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MR. ROSSER:

That is all the evidence for the Union.

HIS WORSHIP:

Will you leave those letters now, Mr. Walklate?

MR. WALKLATE:

Yes.

HIS WORSHIP:

In accordance with the understanding come to between the parties, we will now adjourn until Tuesday morning, the 14th instant, at 10 a.m.

(Court resumed on Tuesday, 14th July, 1908, at 10 a.m.)

Mr. Rosser requested leave to call another witness.

Leave granted.

WALTER ROGERS, duly sworn, examined by Mr. Rosser:

My name is Walter Rogers. I am Motorman in the employ of the Company have been in the service for over twelve years; during horse traction and also electric traction. I did not sign the "round "robin," previously referred to; I am perfectly sure of that. I was asked three times that afternoon to sign it. Inspector McElwain, when he got on my car, said, "You are the last one on the road to sign it," and I said, "I will not sign it." It was intended to get Mr. Steve Heaney, the foreman in the stable, the sack. I was groom for over twelve months and he was over me in the stable. I was never found fault with because I did not look after the Company's interests. Mr. Lysaght came to me on different occasions, and said that the bus had beaten me, and what was I doing to allow it. I said it will be seen whether I have done my duty when you refer to the money-bag at night. Mr. Heaney was a good man to work under: he always looked after the interests of the Company; he knew a good horse, and could put a team of horses together. (Mr. Heaney's discharge read.) I agree with what that discharge says.

MR. WALKLATE said he proposed to proceed to call evidence, and would reserve any remarks until the evidence had been closed.

WILLIAM DENNIS LYSAGHT, duly sworn, examined by Mr. Walklate:
My name is William Dennis Lysaght. I have been connected with the Auckland Tramway Co. for the past nineteen years. I commenced in the office, when the old horse cars were running. I was relieving conductor for a while, then I was Chief Inspector, and now Traffic Manager. The first intimation I had of Mills wanting a change of Conductors was when I received a telephone message from Mr. Hankinson, then in charge of the Ponsonby Depot; that was on the 22nd of October, 1906. I was on Mills' car the following day, when he complained plained to me with regard to his Conductor, and I told him to make application in writing and state his reasons. I received one application from him only. I reported the matter to Mr. Hansen. At the in the office, when all the men were present, I was only there for a minutes, and I was not there when this report was read.

It is about nine or ten years ago when I was concerned in the "round robin affair was then Chief Inspector on the horse cars. The document was handed to me. I was told it was a "round robin." I didn't know then what a "round robin" meant; I asked what it meant, and it was explained to me. My instructions were that I was to pass it on to Mr. McElwain to take it round to the men to be nothing else to do with it. It was suggested to me that I should sign it, and I did so. The "round robin" related to a man named Heaney. Shortly afterwards he resigned from the service. He occupied a position that did not bring him into contact with me. Later on I was instrumental in getting him a position as Motorman. I recommended him to Mr. Carey. I also engaged his son as Conductor, and he is still in the employ of the Tram Co. In this affair I was simply carrying out instructions received. Personally, I had nothing whatever against Heaney.

Inspector Campbell did not receive instructions from me to proceed Onehunga, to remain unobserved, checking the time-tables and to report breaches of rules. As a matter of fact, he was Temporary Inspector, engaged only on special occasions or busy days; and I would never dream of sending a "green" Inspector to Onehunga. He was not appointed until the 1st January, 1906. The report written against Olney was sent direct to Mr. Duncan, who was then Assistant Superintendent of the Motormen. I did not control the Motormen, and I did not see the report until this inquiry commenced. Mr. Duncan controlled the Motormen in those days, and actually dealt with the demerit marks that were awarded at that time.

I did not tell Inspector Campbell to pay special attention to certain men. The men whom he mentioned were particularly good men, and I was very sorry to lose them. One man named Henry Carter left the service some months after Campbell did. With reference to Griffin, he was a real good Conductor, and I was very sorry to lose him. I reinstated him afterwards, when he applied to be taken back again.

As to Campbell's statement that I told him "all the Conductors were "thieves," and "no man could be honest with all the money in their "charge on the cars," that statement is false. It would be absurd for me to make a remark like that. I did not consider Campbell was a satisfactory Inspector. I frequently had to warn him about carelessness in his work. He was finally dismissed. As an Inspector he was discharged, and was given one week's money in lieu of notice. He was subsequently reinstated as Motorman, and dismissed for quarrelling with his Conductor, taking his car out of service, and running it into the depot.

With reference to Inspector Cox, I instructed him to check the time-tables. To enable a man to check the time-tables, he must keep out of sight; there is no other method of doing it. I never instructed him to make reports of other branches. No notice was taken of reports on breaches of the regulations when Inspectors were checking the timetables.

Inspector Cox said that I told him "he might as well carry the "Union Jack with him." I have no recollection of that; it is absolutely absurd. I did not make the statement. As to asking him to get the assistance of females, that is absolutely false. Inspector Cox was on for about two years as Inspector. He was a very smart man until the last six months, then he became careless.

Although Inspector Bassett while in the service frequently had matters to do with me, still he did not come under my supervision until the last two months of his service, and then he objected strongly. His statement that I said the Conductors were a lot of thieves is not true, and the statement that I could not see any reason why the Conductor should be allowed to leave the service with a good character is absurd. I was not in the habit of discussing my duties with him at all, particularly as he occupied a somewhat peculiar position of being inspector over me if he chose. I never suggested to him that he should employ Female Inspectors.

As to checking time-tables. I had been instructed by you to get them checked, and commonsense tells me that a man doing this must not be observed. The reason I received these instructions from you was because we had several complaints from Road Boards and passengers of the irregularity of the runs from the various termini. The cars did not complete their journeys, but turned back at the last loops in some instances. The result justifies the means. We find there are irregularities that would not otherwise get reported except through the public or through the Inspectors, and as a matter of fact, it was the only method of checking the time-tables. The Bundy Clock would overcome the difficulty. The men reported by Inspectors are only called clown to the office in case of serious complaints. Any trivial breaches are dealt with on the "Please explain" system. The paper says, "Please explain the "following," and the man writes his reply thereon. Arrangements are made by which the man coming into the office does not lose his shift. I generally read the reports to the men, and if they
ask to see them I let them do so. I don't recollect an instance where I have not allowed them to see the reports. In serious oases I have always asked them if they had any witnesses. Generally I do my best to give each man a fair hearing, and give them the benefit of any doubt that may exist.

With regard to Conductor Herdson, when I told him that he discharged I said he could have a week's money in lieu of notice. There is absolutely no doubt about that. The reason of his being discharged was we had no further use for him. It is not a fact that I would not give him a reason.

As to Motorman Veart, he was blocking the crossing, which is a matter we have received a number of complaints about from the Local Authorities. He was warned earlier in the same day by Inspector John stone about that same matter. I went round in the car the next day in order to locate the position of the car.

BY MR. ROSSER:

I started first of all in the office. I was not a stable boy, mixing the feed at one time. I am quite sure of that.

With reference to Mr. Mills, I am certain that there was only one application sent applying for change of Conductors. I do not know of anyone else receiving an application, and I have not seen any other in the office. I have only seen one report, not two reports. I will swear there were not two applications sent to me by Mills.

I heard of two applications at this Court, but I did not hear of it prior to that. As far as I know, he did not send in two reports Reports should be sent first to Mr. Hankinson and then to me. I did not make any comments in writing on Mr. Mills' report. I am going to the trial, at which Mills had said verbally. He told me on his car that day he could not stand his Conductor any longer, and certainly would not work with him during the approaching holidays. He also said he was in the habit of arguing Trade and Labour Council questions with the passengers, and consequently his car was delayed far as I remember that was the gist of it. I embodied that in a report sent to Mr. Hansen. I am perfectly certain he said that. If Mills says he did not say that it is incorrect. My report to Mr. Hansen is in the possession of the Company.

Now, with reference to the "round robin," I say the document was handed to me and explained to me by the late Mr. J. S. Kidd. I told him I did not know what a "round robin" was. He told me what it was but did not go into details as to the reason of it I thought it a singular method at the time, but I was an Inspector, and had to do what I was told. Mr. Kidd was Manager, and Mr. Heaney was Stable Foreman. I thought it curious at that time that the Manager should ask the men to sign the "round robin" to get a subordinate displaced. I cannot recollect what reasons he gave; it was such a long time ago. Mr. Kidd gave me the instructions but I don't know who drew it up. I did not ask Mr. Martelli to draw it up: he was not a clerk of the Company at that time. He was in the employ of the Company later. I did not know Martelli at that time. I gave it to Inspector McElwain with the instructions I received from the Manager. He took it round and got the men to sign it. As far as I knew, Mr. Heaney was a capable officer, and worked in the interests of the Company. I heard of nothing as to his capabilities, or probity. He shortly afterwards resigned, in December. When I recommended him as Motorman he was driving a team of horses for Bryant. He approached me about the position. I went to Mr. Carey, told him he was a very good man, and thought he would make a very good Motorman. As a matter of fact. I didn't approve of the "round robin." I was requested by the Manager to sign it and I did what I was requested then.

I am absolutely certain I did not give Inspector Campbell instructions to go to Onehunga. I have never given any instructions to pay special attention to the men during the last week of their service; I am certain of that.

I am absolutely certain I never told any Inspector to watch a man when he had resigned. If he (Inspector Griffiths) said I did, it is incorrect. Inspector Cox was a smart Inspector at the beginning, and I have frequently given him instructions to check time-tables. I have no recollection of any special case as to telling him to go to Onehunga. As to the Union Jack statement, I most decided did not say that; he is mistaken in that fact. I instructed Inspector Johnstone to check the time-tables, but did not tell him where to go, or to make arrangements where he would not be seen. The Union Jack incident is not correct in any part. Inspector Cox was careless during the last six months, but I am not quite sure of the reason. If Inspector Bassett states that I said "all Conductors were rogues," he is incorrect. I have never instructed Inspector Etheridge to employ females. Chief Inspector Mackay told me that Conductor Spence was suspected of dishonesty; there were strong suspicions, and he told me he intended to get a passenger going to Onehunga to mark a ticket. That was done, and "the end justified the "means." He was suspected of dishonesty, and he was convicted of it. We had evidence of his dishonesty, and I considered we were quite justified in proving it. I don't know who the passenger was that was employed, but I absolutely never came in contact with her. I didn't tell Inspector Mackay that lie was not to do it. In the case of Watson there was not a female detective employed in that case. I cannot say whether it was the same person as was connected with Spence's case. As far as I recollect, it was owing to the defective numbering of tickets that the case against Watson was dismissed. As far as I recollect, we never engaged a female to act as Inspector. I would not approve of a female detective. If they were introduced I would do my best to discountenance it.

With reference to the reports. I am quite certain that men are only called down to the office for serious
offences. I don't remember Straker's case. I don't remember his being sent to the office, and missing his run for a trivial offence. Straker was not dismissed; he resigned. I don't remember his case coming before me. Mon have asked for reports against them to be read, and I have always done so. I don't let the reports go out of my hands unless they ask for them. Then I let them see it. I give the men the benefit of any doubt. Holden's case did not come directly before me. He was dismissed because I had no further use for him. I don't know whether he gave any evidence about the non-reliability of brakes. I was at the inquest, but I was not present when he gave that evidence, but I read something in the paper about it. It was not reported to me by the officers of the Company as to his giving evidence. I don't know the reason why he was discharged. Mr. Walklate, or anyone else, did not tell me why he should be discharged.

I am quite sure that I told Herdson a week's wages would be given to him on the day of his being discharged, Saturday.

With reference to Veart's case, I say the Local Authorities complained about the men pulling the cars up behind each other and blocking the crossing. The first car should pull right round the curve, and leave sufficient room for another. Veart was not discharged; we put him "back on the bag" for two months. His seniority as Motorman was not to be impaired by that; I am absolutely certain about it. I remember Donald Brown, the Motorman when he was President of the Union. He was the reverse of unobtrusive. I did not tell Inspector Ferguson to hide in Hobson Street, and catch Brown tripping on his car. I remember Conductor Menzies. I never supplied him with Onehunga tickets to ride on the cars to watch his mates. He was never appointed Permanent Inspector; he was on trial; they all start that way. I promoted him from Conductor. He was not on the spare list at the time: he had a regular run. He was in the service the first time about three years, and the second time about nine months. I promoted him above the heads of other men, as I thought he might make a good Inspector. I realised that there are special qualities required for an Inspector, and I considered he possessed those, I have no recollection of a report from Inspector Bassett about a Conductor named Boulton. I remember a man named Crawford; he was on the Grey Lynn decker. He resigned, if I remember rightly. He was not dismissed, I am sure about that. I don't remember Inspector Griffiths reporting that he committed an indecent acton top of this decker. I say if you brought a dozen men forward to swear to that "Union Jack" incident it would still be absolutely false. I do not remember boarding a Domain car after dark with a young lady. I have never been in a place known as No. 79, Symonds Street, Mrs. Don Mr. Hankinson telephoned to me and that was the first intimation I had about Mills desiring change of Conductor. (Report produced and read.) That is the report made by me. I instructed Mills to make application in writing, and the one produced in evidence last week is the one received. I am certain there was no other presented by Mills. (First report read.)

Since Mr. Walklate arrived I have had Motormen under my charge too, I know the theory of electric traction. I am competent to be Motormen of any breaches. I have also been to college, and electricity in relation to tram cars. Cars turning back on the loop are not sent back in accordance with instructions from the Despatcher. In the event of a block the Despatcher may give orders for the car to turn back at a certain loop. It is a usual thing for the car to turn as to keep up the time-table. It is not a slow service, but about the same average speed as Wellington. I have compared it with vices; it is as fast as any other service; but the Onehunga line is slower than some of the Wellington speeds. I think the Island Bay one of the fastest. Motormen only receive instructions from the despatcher to turn back from the loop in case of an accident or a break-down. If there is loitering at a terminus, the men have to make up the time afterwards, and the equipment suffers. The instructions to the Motormen are that they must complete their journey, unless otherwise instructed. I do not know of any instructions given otherwise.

**BY MR. CARTER:**

I am an experienced Motorman. I learnt in Auckland. The first driver I practised under was a man named George Nichols, when the cars first started. I can handle any equipment in the service at the present time. I hold a license. When I went through my term there were no blue papers to sign. I qualified under Mr. Carey. I took Mr. Morris off the spare list, and made him an Inspector, as I was acting under instructions. I put him in charge of Ponsonby Depot over Inspector McElwain because I considered he was best fitted for the position. I did not instruct him to wear a false beard. If Inspectors take the train to Onehunga the Company pays the fare. On looking up the report I found that Mr. Duncan gave Olney 30 demerit marks for smoking. Inspector Campbell reported it. He was apparently on duty on that line. Mr. Hansen did not call me in and reprimand me as stated by Mr. Bassett. At the Despatcher's pole I drew his attention to a rule: I did not severely reprimand him I don't know what became of the letter that was missing. As to men coming to the Head Office, I say the report would be given them if asked for. Reports first of all come to the Chief Inspectors, who forward them to me. I see every report issued against the men, and I investigate all reports. Each man comes before me if it is a serious offence. If the complaint is for smoking, the man gets a "Please explain." If satisfactory explanation, the incident close. The original report does not leave the office. I defy any man to say that I have not given him fair play in regard to a report. As to the suggestion made by Mr. Bassett, we send a copy of the original report to the
men, and they can see the original at the office. We state the facts in the "Please explain." Veart was informed a few minutes prior to the incident at Pitt Street. I have acted in a similar way with Motorman Penny. Mills was a good Motorman but occasionally late. After getting rid of Beaston, I don't remember if he made any improvement. Despatcher Hogan made verbal complaints as to his time-table before that. I know Beaston and was surprised to hear he was supposed to have used obscene language. I was surprised also at the report received from Mr. Kidd as to the three words written on the window. I am not quite sure what he was discharged for. I don't remember standing beside you during the meeting at the office at the first Strike, but I remember the drunken man coming in, and I was asked to put him out. With regard to Menzies, I say he was on the regular run when appointed Inspector. The reason of my appointing him was I thought he was fit for the position. He was not long on trial; he resigned. I did not receive any complaints about him from the Motormen or Conductors. I knew he was at the office to answer a charge against him. He did not tell tales of his mates to me when on the Kingsland service. I am absolutely certain I never gave him tickets. Inspector Cox was careless during the latter part of his term: he was constantly sitting down, smoking, and yarning; it was not because of his reports diminishing during that time: as far as I remember they came in just the same. (Rule read.) That rule is not always carried out. It may be a case that a bad Motorman will make a good Inspector. The Inspectors have charge of the Motormen.

BY MR. SHERRY:

As to turning back from the loops, it is a fact that there has been a bad run in the power lately. The Inspectors have also power to tell the Motormen to turn back, as the Inspector is the Inspector of Traffic on that particular run. The Motorman would not complete his journey if he got instructions to the contrary. I do not remember the case of Conductor Penfold. It is a fact that he is very gentlemanly in his manner. I have no recollection of a report about his standing on a lady's toe. I consider that was a frivolous charge to be made by the lady, but I don't remember the incident.

BY MR. WALKLATE:

I did think it a peculiar procedure as to the "round robin." At that time I was seven years younger, and I had less knowledge of those matters. At the present time I should think it a very curious thing. I was Chief Inspector in those days. I was not experienced in the management of men. I have heard of putting new Motormen back on the Conducting. It is quite a common thing in Sydney. We find we have a difficulty in obtaining satisfactory Inspectors. Most of Mr. Bassett's reports never came to me at all. I have no recollection of having received a report from Mr. Bassett. I get quite a few reports, and in the nineteen years they mount up, so that it is quite impossible to remember every individual one; but when they have been talked about I put my mind to work upon them. With regard to cars turning back, unfortunately a great many are turned back, and we have reasons from the Despatcher and from the Inspectors, but there are others where we have no explanation at all. That is why the Company check the time-table. It is a fact sometimes that a man may turn back without instructions, so as to enable him to get to the barn in time to finish.

HIS WORSHIP:

That would be when a Motorman and Conductor have been in league together.

MR. WALKLATE:

That is so, Your Worship.

- (Court adjourned to 2 p.m.)
- (Court resumed at 2 p.m.)

WILLIAM GEORGE BASSETT (re-called) examined by Mr. Rosser:

(Part previous evidence read.)

I reaffirm that that evidence is correct as to anonymous letters received by Mr. Hansen. I have no idea as to the author of the letter, but to my own satisfaction I think I proved Mr. Lysaght to be the author, and I am of that opinion still. There had been an accident to a woman out at Epsom, who made a claim for damages. A certain doctor was backing this woman up in her claim. I investigated the case, and found I could prove that it was all absolute lies, and the injury was given to her by her own husband. Mr. Lysaght asked me about the matter, and I told him that the doctor would be sorry if it ever went to the Court. Prior to Mr. Hansen receiving; my report and copies of the evidence, this doctor called on me and said lie had been informed I was trying to do him an injury. I asked him if he would mind talking me along to the party who told him this. He said he received it in the form of an anonymous letter, which he agreed to show to me. It was on paper similar to some paper used in the office by Mr. Lysaght for scribbling on. It had a rod marginal line about an inch from the left edge and this had been cut off; but little spots of red left here and there; therefore I came to the conclusion that Mr. Lysaght sent the letter, and that he was the author of these anonymous letters. Further, Mr. Carey told me he received anonymous letters about every officer in the Company except Mr. Lysaght. I thought it rather strange he should be left out. The paper was common foolscap paper. There was only one package, and it was in a small room at the Head Office; it was paper that your pen would be constantly catching in. I never saw it
used by anyone else.

BY MR. WALKLATE:
The paper was not in general use but he or I would take it to scribble notes on. It was the only package I saw in the office: it was in the small room which leads to the stationery cupboard, in the telephone room. Mr. Lysaght could go there the same as I could, as the cupboard was open to anyone.

FREDERICK JAMES ETHERIDGE, duly sworn, examined by Mr. Walklate:

My name is Frederick James Etheridge. I was Traffic Inspector in the employ of the Company. I was about four years as Inspector and twelve months as Conductor. I was always told to caution a man before reporting him and to tutor him in every respect with regard to the service. I always treated a man fairly, and tried to coach him as much as possible. I never received instructions to hide myself from the men, and I never did it and never would. I am Manager of the Ti Ti Estate, in the Waikato, at the present time. There is a system of signals between the Motormen and Conductors as regards the whereabouts of an Inspector on the line. They indicate his movements, wherever he may be. I have spoken to a man and also reported a man, but I have done more of the former than of the latter. I have checked time-tables at the terminus. I would not stand in the middle of the road in all cases, but I have never hidden or planted myself; but I have never gone and stood at the terminus to do it. As a Conductor I never had trouble with the Inspectors; in my time I got on very well. I have never been told by the Traffic Manager that the Conductors were all dishonest. I have always been dealt with fair and square by the Traffic Manager. I had my own faults, which have had to be rectified occasionally.

BY MR. ROSSER:
I was always told to caution a man before reporting him. I remember the case of Spence. I am the Inspector who got Spence brought up on the charge on which he got two months' imprisonment last November. I don't exactly know whether I warned him or not but I suspected him. I reported it to my superior officer, to the Chief Inspector at Epsom Depot (Mr. Mackay), and I expect he reported it to the Traffic Manager. Mr. Mackay told me to make arrangements with a passenger to catch him. It was not Mr. Lysaght who told me that. I met a passenger, a female, and asked her if she would mark a ticket I can't remember the name. I think it was Miss Daniels, now you mention the name. I don't know exactly what relationship she bore to Mr. Mackay. When I met her she was getting in the car at Khyber Pass, at the Brewery, and I told her to mark the ticket; but you know the circumstances as well as I do.

His Worship mentioned that the manner of giving evidence weighed very heavily with the Court.

BY MR. ROSSER:
I had no previous knowledge of this passenger before getting on this car, but I may have passed the time of day with her. She was told to be there. Chief Inspector Mackay told her, and I received knowledge that she would he there. I told her to mark a ticket and get out at the Royal Oak. The result was someone else was found with this ticket. I did not tell her where to place the ticket. Spence was convicted, and got two months' imprisonment. That is the only time I have had any collusion with female detectives. I have never been asked to work with them since, as I never had occasion. I have had instructions to check the time-tables from the Traffic Manager. I don't stand out on the fool-path. I never went behind the fence or inside a room behind the curtain; it was always out in the open I stood. I received no instructions as to how it was to be done, I would also report any breaches. I have on my own responsibility given instructions to Conductors as to working their cars, Conductor Sherry had a car, and his regular run was on the Onehunga line. I told him once no passengers were allowed to stand at the back. That was before instructions were issued that passengers were allowed to stand at the rear. I don't know that Mr. Sherry got into trouble for ordering a passenger inside. I have never had any complaint to report as to Mr. Lysaght. Three years ago there was a meeting of Inspectors in Karangahape Road, but I hardly remember what was decided at that meeting. I remember Mr. Bassett and Mr. Griffiths and other Inspectors were there, but I don't remember it clearly. If a man were a better man, I think they would be justified in promoting him over my head. I was perfectly satisfied with what the Company did. I got a rise myself, as I was fit for a certain class of work. It was three years ago when I attended that meeting. I have been reported for drinking with the men in uniform. I was not in uniform when a friend of mine asked me to have a drink, and there was another employee with me at that time. I remember the time when I was seen in the cellar of the Captain Cook Brewery in uniform. I was having my When men have been sick I have told them to get a glass of brandy and port wine, and stood by the car while it was done. I don't remember reporting a man for drinking in uniform. I remember the case of Mr. Ballin and the gloves that were missing. The gloves were dropped by a lady in the ear. I picked up the gloves, and ran outside after a passenger, thinking they were hers. The car proceeded on its way: they did not belong to that lady, and I enclosed them in an envelope and sent them to the depot, I did not receive a letter from Mr. Ballin about them. (Photo produced.) That is my photo., taken on my in uniform. It is on my own verandah, and in place of it being' a bottle of beer, it was a bottle of tea. I never heard of Inspector Johnstone reporting me for being intoxicated at the Show.

BY MR. CARTER:
I was one year as Conductor and four years as Inspector. I had no previous tramway experience. I did not drive a car before being made 'inspector. I went into the barn for a fortnight; but I was Inspector before that. I was Relieving Inspector for some considerable time before being made a Permanent inspector. I was in the barn three years ago, and again this year. Mr. Hansen appointed me as Inspector. I have never done any inspecting in private clothes. I am pretty well acquainted with the signalling. I don't think it is right, when a man is getting fair and just treatment; it looks bad. Some of the public are quite conversant with it. One gentleman told me he had caught the mode of signals. When checking the time-tables I may have stood this or the other side of the terminus, I would be on the road: never hidden behind places. I never stood behind telegraph posts at Kingsland. Mr. McElwain was Chief Inspector, and was my superior officer. In some things he was a good and capable man. He could have been more efficient in some respects, in the clerical part of the work, but his education was not very good. He never asked me to do anything crooked for him. I never did any private clothes' duty. I have no complaint to make as to a man being appointed Inspector. I think the men that hold the positions at the present day are equal to it. I think an Inspector should be up to everything. If a bad Motorman may make a good Inspector, the same applies to the Conductors.

By Mr. Sherry:
It is hard to explain why the signalling originated. I expect the men like to have a code of signals. I had a very good class of men on the Onehunga line. I had not many men who did that signalling there; but I have seen it on other lines. I reported you at Greenwood's Corner, justly. It was by word of mouth; it was just about that time when the signalling came in. Your case was the first one to be reported, and although I said I did not like reporting it, you said you preferred to have it done.

By Mr. Carter:
It was a standing rule to caution the men before reporting them. I have seen men go to refreshment shops and have a bottle of hop beer during the hot weather and go straight back to the car. We always use our own discretion. I have seen men leave their cars for a minute or two and did not report them; but if a man left the car for an unnecessary reason the case would be dealt with. I made it a rule to tell the man before reporting. It depends on the circumstances of the case. An old Motorman like yourself would know the rules as well as I. I may have reported a man without telling him at the time of the offence.

By His Worship:
We cautioned a man first, but that caution would not be followed by a report at all; but if it happened again I should feel it incumbent on me to report it. If a serious breach of the rules, I should certainly report him after cautioning him; but if merely a technical breach I might warn him again.

By Mr. Carter:
I was not supposed to notify a man before reporting him.

By Mr. Rosser:
After the Spence affair I was on the Onehunga line. It is a fact I earned a revolver after that; it was to protect myself. I did my duty conscientiously, but there is always a class of men who have a better feeding towards you, and I was aware of this feeling; not actually the employees, but some of the travelling public as well, amongst a certain class. I believe there was a subscription got up to help Spence at Onehunga. The revolver was not loaded, except in some cases.

By Mr. Walklate:
If I saw a man smoking I would caution him. If I saw him again next day I would report him. I would not caution him again.

Frederick Reuss, duly sworn, examined by Mr. Walklate:
My name is Frederick Reuss. I am a motorman in the employ of the Tram Company. I have been employed four years next November. I remember the day of the Strike. I took my car out at 7.13 a.m. brought it in about 10 o'clock. I was due on again at 9 past 2 p.m. I turned up at Epsom to take the car out, and found they were not running. I was told there was a Strike. Inspector Mackay asked me to see whether the handles were on the cars, and I did so. I left about a o'clock. I think. I came up next day to see if anything was doing. There were no cars running, and I cleaned his office out, and while I doing so I heard there was grumbling about my working. I went to the Inspector about it; the men said they did not object to my working. I have been employed as Motorman the whole of the four years. I was satisfied with the treatment I had from the Inspectors and from the officials of the Company. I have had no cause to complain.

By Mr. Rosser:
I remember the first Strike in 1906. I kept a car miming on that day, and there were others kept the cars running. I did my duty to my employers. I saw no reason for the Strike, although there were over a 100 went out on Strike. I think the Strike took place at 5 o'clock. The first I heard about it was about 4.30, or somewhere about that I not leave my car. I thought I was justified in sticking to the Company. I don't see that I went back on my mates at all. That is a matter of opinion; it is my opinion against the majority. I went seeking for work.
after I knew there was a Strike. I am not going out on Strike if I don't think I am justified; and I did not think so on this occasion, I could not take my car out, as I was told not to, and there would be ears running. If there had been cars I would have run mine out finished up about 5. My shift ended at 8. I got paid for the shift turned up next morning at 7.15. I live at Beattie's Corner, Onehunga, about a mile from it. That would be about three miles from Epsom Barn. I was anxious to see if any work was going for me. That was the first work I was put on, to sweep out the office. I did not go to help in the barn. I was paid for that day. I have been paid full since. Well, yes, I suppose I have a great deal to thank the Company for. I consider they stood to me in giving me employment. Prior to working for the Company I was working for the Asphalt Company. For private reasons I refuse to say where I was working prior to that, but I was some years in one employment.

By Mr. Walklate:
I worked on the cars for one day about a fortnight ago.

By Mr. Carter:
After the 1906 Strike there were back-handed sneers and slurs by the Strikers. They said something, showing they were not pleased.

By Mr. Rosser:
I am not a member of the Union, but I have been. I ran into arrears, and you issued a summons against me; I paid up, and since then I have not been a member of the Union.

Richard Spry, duly sworn, examined by Mr. Walklate:
My name is Richard Spry. I am a Motorman in the service of the Company. I have been in their employ for five and a-half years, and about five years driving. I remember the day of the Strike. It was about 12.15 on the 21st of May last. I was a Motorman driving on the Mount Eden line. When I arrived in Queen Street I saw a number of cars there deserted by the Motormen and Conductors. Mr. Rosser and a number of others came up and asked me to join the Strike. I told them I didn't belong to the Union, and didn't choose to strike. They went away, and I took my car, with another attached, round to the Epsom barn. I had received no notice from Mr. Rosser, verbally or in writing, that the Strike was to take place. I saw no reason for the Strike myself. When I got to the barn I got signed off by one of the clerks, and went home. Next morning I went to take out a car as usual, but was informed that the cars were not running. I was set on at the barn to clean carriages, and afterwards told by the Foreman to go home. I have not worked since. I have been paid. During the time I have been employed I have had no reason to complain of the treatment by the Inspectors or officers. I could not be treated better.

By Mr. Rosser:
On the day of the Strike I saw a number of cars deserted, and you asked me to join the Strike. That was the first I heard about it. I don't remember Motorman Carter speaking to me outside H.M. Theatre; in fact, I never knew his name. I have been paid since then the full Motorman's wages, or thereabouts. I had had previous experience in Tramway matters in Melbourne. I remember the Cable Strike there in 1888. I did not join the Strike then. I thought there was no cause for the Strike, not the slightest. It was simply to cause the Company to compel all employees to become Unionists. I think the men should please themselves. I did not have any experience of Tram matters in Sydney. I never joined a Union in my life. I remember the 1906 Strike here. I was a Motorman, and I kept at work during the afternoon. I didn't join the Strike. I saw no reason for it, as I had no complaints to make. I never worked for a better Company, and I never received better treatment. I mean quite apart from the fact that I am getting paid for doing nothing. I had not the slightest idea that the Strike was going to take place. I never see the papers; they may have been full of it. It takes me all my time to attend to my work, and when home my time is taken up teaching the children for the next day's school. My family are mostly grown up now; the youngest is about 12, and there are two going to school. You asked me to come up to the hall and attend the meetings. You said at Swanson Street, I do not refer to the papers to teach the children; you cannot always rely on what they say. I took two cars round to the barn, and five as far as Stanley Street. I got to the barn a little after one. I went straight away to dinner, and did not come back that afternoon. Next morning I turned up at 6.30 for my car, which left at 6.58. I was informed the cars were not running. I went out and washed down the side of two or three carriages in the Epsom barn. I was there about two hours. That should be the work of the barn hands. Some of them were working there at the time. They did not make any remonstrance at my being there. I do not know young Morris. A young fellow gave me some rags to clean the windows with. Mr. Scherf was in charge, and put me on. He went to town, and returned about two hours later. The men were working when he returned, and seemed to be pleased at getting help. They did not sit down and refuse to work.

By Mr. Carter:
I am satisfied with the wages. I think they are fair and just. I remember giving evidence at the Arbitration Court. I said that a shilling an hour was a fair thing. I did not say 5s. 6d. a day. I did not know you by name, but I know you by sight very well. I had spoken to you, but I didn't know who Mr. Carter was. I remember the time
My name is Herbert Janies Baker. I am a clerk at the Ponsonby Depot. I have been in the service three years next November, during which time I have been in the employ of the Company as Conductor and Clerk, Conducting for twelve months and the remainder of the time as Clerk. When Conductor I had no complaints to make as to the Inspectors. Since being in the office I have not come under the Traffic Department.

By Mr. Rosser:
I believe the witness has always been a straight man, and one of the best Inspectors in the service.

By Mr. Carter:
I should have gone on as a Motorman, but I was appointed as Inspector, and at that time I was being put through a course of instruction. As an Inspector I warned a man before reporting him. I have always been told to do this. If I saw a man at a serious offence I would certainly tell him before reporting. I was put over the men before I had a practical knowledge as Motorman. I have been Motorman for about twelve months, since being Inspector.

By Mr. Sherry:
It is a fact that men will go out of their way to oblige me in carrying out my duties as Inspector, and in my turn I would give them a straight deal back.

By Mr. Walklate:
It is a rather delicate time just now; you can hardly dare to speak to some of the men; they think everybody is watching them.

My name is Herbert Janies Baker. I am a clerk at the Ponsonby Depot. I have been in the service three years next November, during which time I have been in the employ of the Company as Conductor and Clerk, Conducting for twelve months and the remainder of the time as Clerk. When Conductor I had no complaints to make as to the Inspectors. Since being in the office I have not come under the Traffic Department.

By Mr. Rosser:
I remember the 1906 Strike. I was then a Conductor. James Mills was Motorman. I was on the morning shift, and had gone off duty when the Strike occurred. I remember the meeting in the Y.M.C.A. Buildings the night before. I said at that time I would not strike, as I was not in a position to do so, and did not care to. I had heavy re- sponsibilities. I said it openly. I approved of the Strike then, but I had undertaken certain responsibilities, and should not see my way clear. During the last twelve months I had been under another officer in the depot. In a general way we hear simmerings, but nothing definite, be we could see there was some discontent. I have heard at times, when the men have received the "Please explain," they said it was trivial: that
is all. When Straker was sent down I was there. I don't remember definitely that he complained about losing his run to go to the office.

**BY MR. MORRIS:**
On that occasion I remember the language used was forcible, but not out of the ordinary.

**By Mr. Rosser:**
It was before he went to the office; when he got word at the window. I have no recollection of any words that he used.

**WILLIAM THOMAS ROWE, duly sworn, examined by Mr. Walklate:**
My name is William Thomas Rowe. I am a Ticket Inspector in the service of the Company. I have been employed by them for five years and one month, as Conductor, Motorman and Inspector. I was Motor man over four years. I have been Inspector for two months. When the merit and demerit system was in vogue I stood high up. Mr. Hansen gave three prizes of £3, and £1. I came third; next quarter I came first, and the last quarter I tied with Motorman Haslam for the first place. There is a system of signals among the men to notify where the Inspector is. When I am on a line too long the men know where I am, and I have to dodge to another line across country, without letting them know. If a Conductor is a new hand and there is a miss-fare I tell him where the passenger is, and he collects the fares; that is if it is a full car. If there are eight or ten passengers and he has had time to see the fares, I ask the passengers where they joined the car, to whether they have overridden their sections or have tried to "best him. If I find a passenger trying to impose on the Conductor I ask they don't know what he is employed for. On the first occasion I find the fare missed I tell the Conductor, and if I find more later on I the matter. I make allowance if he is a new hand. During the time was Motorman I was satisfied with the treatment by the Inspectors got merit marks, and I always had the privilege to go to the office; was in the wrong I got demerit marks; if otherwise, I got them celled. I have no complaints as to the treatment I received from Traffic Manager. I have been down once "on the carpet," as the saying is, before Mr. Hansen, the General Manager.

**BY MR. ROSSER:**
I have been Inspector for about two months. I was the 18th or 19th of May, three days before the Strike was held. I applied for the position of Inspector about four years before, when Conductor. I was offered the position, but preferred to be driving as Motorman. I applied for the Onehunga run, but Mr. Alec Paton came back, and claimed this; and as he was senior man he got the preference; as senior man he was entitled to it though at the time I felt sore about it. Signalling has been carried on ever since I was in the service. I have been reported for it, and got demerit marks for it, for breaking one of the rules of the Company by passing signals. I don't know as to its being a big sin; I didn't think so then. Since being Inspector I see it is wrong. I don't see why they want signals, as all the Inspectors treated me fairly. I served under Inspector Tickle. I never noticed him coming out of the ground or behind poles. I was on the Epsom side, and he was not there very much. I did not notice any discontent at Epsom Depot amongst the Motormen. I did not know of anyone reported for trivial offences and losing time going to the office. I have never heard a complaint about it, I remember 1906 Strike. I was a Motorman on the morning shift. I did not go on strike, because when Mr. Carey came to me I said I would take on a learner. I have not been in the Union, and I never attended the meetings, and could not say whether the men were justified or not. I have heard about Beaston being dismissed. I read the papers after the Strike. I do not feel justified in giving an opinion as to Beaston's dismissal and whether the Strike was justifiable.

**BY MR. CARTER:**
I did not strike during 1906. I never got a present from the Company afterwards for that; I did not get £2 8s. for that. Mr. Walklate gave me no instructions, nor Mr. Lysaght, as an Inspector. I am a uniform man, and I have not been in plain clothes while inspecting.

**BY MR. SHERRY:**
As to the signals, I was conversant with them as a Conductor and as a Motorman; it went back as far as that. The signals were not used so much then as now. It was a very rare case five years ago to use them. It is only during the last twelve months that it has got to such a pitch as at present.

- (Court adjourned to Wednesday, the 15th, at 10 a.m.)
- (Court resumed. Wednesday, 15th July, at 10 a.m.)
- **MR. A. ROSSER** requested permission to call another witness.
- **Leave granted.**

**BENJAMIN GUY, duly sworn, examined by Mr. Rosser:**
My name is Benjamin Guy. I am a Fitter. I was formerly a Conductor on the spare list of the Company. I joined the Company about last September. I am not sure of the date. I remember the Sunday after the Agricultural Show in Auckland. I was booked up for the No. 4 Kingsland run at the Ponsonby Depot. I got the information of that booking on Friday afternoon. There is a sheet put in a case at the barn, and all runs for
Saturday and Sunday following are shown. I reported myself on Sunday, about half an hour before the time; that is the usual course. I was due to go out by 12.45. I got my waybill. Mr. Morris asked me if I would oblige him by taking a Remuera run, as a Conductor booked for that run was sick. Afterwards Conductor Armitage came in, and said he did not mind taking a run, and Mr. Morris said, "Then be "quick, and get your uniform and block." Mr. Morris then said, "Perhaps Guy won't mind, and you can have the Remuera run." The rule on Sunday is, if on the spare list, a man is entitled to the run; therefore I was entitled to the Remuera run on account of the Conductor being sick. They always come down at the bottom of the list; that is to give a chance to a man earning very little to get the best run on Sunday.

After the spare men are supplied, then the regular men come in, but the spare men always have preference on Sundays. I told Mr. Morris I didn't think it was fair to me, as I was entitled to the Remuera run or the one booked up for Kingsland. He turned on me and said, "I can "see you wish to refuse duty, and you won't be required anywhere more at the "barn." It is a serious offence, refusing duty. The Remuera run is a better run than the Herne Bay, as it is a longer run, and therefore more profitable to me. We get time and a-half for Sunday work. I told him I did not refuse duty, I was willing to take the car out but I didn't care about being taken off one and put on another, particularly to oblige a regular man. As a spare man I would not make very much that week, but a regular man would make his regular wage, £2 2s., or more. I saw you at your office on the Sunday, and told you the facts of the case. I saw Mr. Lysaght on the Monday morning, and he said it appeared to him that I had refused duty. I told him I had not. Then he said, "You "to be grumbling." I had a right to grumble about a shortage; they stopped me 5s. on the Onehunga run on the Wednesday preceding, which was actually more than I earned that day. I knew I was not short. I reckoned up my tickets. They afterwards returned me 50 one penny tickets booked up against me, which I never had. If I had not protested I should have had to pay the 5s. I did not consider that I was rightly discharged, as I did not refuse duty. I gave references to the Company, and was accepted on those. I signed the big application form, in which there are about 35 questions. I am a married man. I did not get a reference when I left. I have been on various work since leaving the Company. The last job was as a fitter at Waihi which ended on Saturday day morning last. I paid the doctor's fee of 5s.; I also paid for my license, only the one, and that was for last year, until December 31st. I did not pay for one this year, I did not.

By Mr. Morris:
You asked me if I would oblige by taking the Remuera run never said anything to me about a man not turning up. I had been on the Remuera line before, so it was not a case of managing it. I was not signed on, but you told me to get the block out. It was when you were giving me the blocks that you asked me to do this. I know a man different block for each run but you gave me the right block, and told me you would give me the tickets in a minute. I did not get the special block. I was entitled to the Remuera run according to the rules. The block has nothing to do with the run. I took your word as a gentleman that I should have the nm. You told me to get the block out.

By Mr. Walklate:
I went to see Mr. Lysaght because I reckoned I was entitled to see the Traffic Manager. Mr. Lysaght said, "You know what Morris told "you yesterday," and that was sufficient. I look it that I was dismissed.

By Mr. Carter:
Mr. Morris is Inspector at the barn, He said I should not be required any more at the barn; he considered I had refused duty. There seemed to be grumbling amongst the spare list men all the time—a good deal of discontent. They were not satisfied as to the shortages. On three or four occasions I have had 2s. 6d. put against me, but they refunded it when I complained. It must have been five or six occasions. I have been three or four times for the doctor's certificate, and Mr. Lysaght refused it and said I could not get it back. It was certainly my property. I had my references back, but they still hold that certificate.

By Mr. Sherry:
I was entitled to take the run according to the rules of the spare list. I should have been the next man for Mr. Morris to put on. Armitage was not booked up at all being a regular man. He would have to come in after the spare list was fixed up.

By Mr. Rosser:
The mere fact of my not having the Remuera block and tickets did not count, as it did not affect my position on the spare list, and I was entitled to the best run going. I did not hear about the spare list men complaining while I was there. I did not have trouble with any officer until I considered I was badly treated.
Inspector Griffiths afterwards told me he did not think there was an honest man working on the Tram Company. I told him I was as honest as he was. I had the 5s. returned back to me when I left, he struck me first, and left a little bit of a mark, I think. I believe you first suggested I should go to Mr. Lysaght, as Mr. Morris had not the power to discharge me. One firm I was in I remained with for 14 years. It was a gun-maker's in Birmingham and I showed that discharge when I applied to join the Company.

By Mr. Morris:

I was at the Epsom Depot before coming to the Ponsonby. I asked for the change, as it was too far to walk, and I would have to get up at 4 a.m. I had no dispute with anyone there.

MR. ROSSER referred to Witnesses being subpœnaed by the Company at the last moment.

MR. WALKLATE explained that subpœnaes not signed by Mr. Cave had been issued in ignorance and that fresh subpœnaes had consequently to be issued with Mr. Cave's signature attached.

Evan Tickle, duly sworn, examined by Mr. Walklate:

My name is Evan Tickle. I am employed in the service of the Tram Company as Ticket Inspector, I have been in the employ just over five years, for eighteen months as Conductor, three years as Motorman, and about seven months as Inspector. As to checking time-tables, I have never received any instructions as to keeping myself unobserved; none whatever. I have never had special instructions to pay special attention to men about to leave the service. As regards checking cars when nearing the terminus, I consider it necessary. I have never had any trouble in doing that with the passengers who had thrown their tickets away or destroyed them. I have known passengers to drop their tickets. I am an experienced Motorman, and have been in the barn for three weeks, for three hours a day. In regard to a miss-fare, there is scarcely anything said to the Conductor when the cars are full or nearly so I usually speak to the Conductor on the back platform. As regards reporting men. I did not notify them except in rare cases, as I think it Would lead to more or less personal trouble. I am quite aware that there is a system of signals used by the men on the cars. I took some steps to overcome that. I may possibly cross from one part of the district to another. But in no other way. I have stood in the doorway in College Hill on several occasions when it was very wet, and I have also sat down on the ledge of the steps waiting for a car. I might also have been there entering notes in a book. The Suffolk Hotel is just by Wood Street. There is no truth in the suggestion that I was hiding there. I have no recollection of a passenger remarking something about shooting myself with the revolver I am supposed to carry. I know nothing about what Conductor Steen says as to turning my coat in to hide the buttons, and putting my cap under my arm. I have been on several occasions in ray uniform overcoat, which does not fit well, as it is too small across the chest: it won't button. My uniform coat has metal buttons. I have often had my hat off my head, but I am not one of the "hatless brigade." though Steen very rarely wears a hat on duty. I know nothing about hiding behind telegraph posts or keeping the pole between myself and the men. I never stand in the roadway until the car comes up, and I do not expose myself more than I think necessary. As to Motorman Breen's evidence, I might possibly have been standing under the verandah; I have stood there many a time. I do not know of any doorway in Freeman's Bay between the gasometer and the penny section. There is a verandah at the end of the penny section. As to Motorman Rocklands' statement, and to my endeavour to force an excess of passengers on his car, I was standing at the junction of Hobson and Victoria Streets when his car came along from town. The Conductor asked me to keep passengers off, which I did but Mr. Travers was then an employee of the Tram Company, and had just left duty. He was not a paying passenger but I told him he might get on. I kept the remainder off. Rocklands, it appears, looked round and saw this employee on the platform, and he came round to the rear and ordered him off the car, but when I said he was an employee Rocklands walked away. Later in the day I was on his car: he beckoned me through to the front platform, and we discussed this case, and Rocklands said had he known Travers was he would have said nothing, and then qualified his remark by saying, "Didn't I walk away when you told me?" and I said, "Yes, "you did." It is an understood thing that we must give up our seats for paying passengers. If Conductor Hodson states that I went across from the Ponsonby Road to the Suffolk Hotel, that would be the ordinary way from one line to another. As to not showing myself what Conductor Steen says as to turning my coat in to hide the buttons, and putting my cap under my arm. I

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this is a weakness in the system, when a man could pick up tickets like this and re-sell them. That started a discussion between us, which lasted two or three minutes. I was not making any suggestion as to selling the tickets for profit. I was simply showing the weakness of the system. I could not say what became of the tickets. I threw them on the floor. He never said anything at the time that I suggested the selling of the tickets.

As to Mr. Bassett's statement with regard to my crouching behind St. Matthew's Church fence, it is an open fence; it would be necessary to know what is meant by crouching. If he meant I was standing and leaning on the fence, I admit it, but if he meant I went down on all fours. I do not admit it. I have often stood at the fence, leaning on it and waiting for a car to come up. It is a low fence at that place. I remember the incident mentioned by Conductor Browne, as I had to report on it to Mr. Lysaght. The facts are these: I boarded the car at Shortland Street: I was in private clothes: the car was about quarter full: it didn't till up at Wellesley Street, but I took no further notice after that. After passing the penny section, somewhere in the neighbourhood of West Street, he came and tapped me on the shoulder, and asked if I was supposed to give up my seat, the same as themselves, and I said certainly, why do you ask, is there anyone standing? He said "No," but there was. I said, "it is rather late to come and tell me now," "but had I known I would have stood up." When I joined the service I went to see Mr. Lysaght, and, not being familiar with inspecting. I asked for instructions. He asked me if I had a Rule Book, and said. There is your guidance; follow it. I am not in the habit of harassing a man, as Inspector. After being Inspector four or five weeks I met Wade, the Motorman, at the corner of Hobson and Victoria Streets, and he was off duty at the time. He told me if I did not change my tactics I would not be in the service three months. He also said he was surprised that I did not stand in a proper place, and proper manner, and suggested how he would stand. At this corner there is a telegraph pole, and the Greaseman's grease cans are against it. I was standing about four or five yards towards College Hill from this pole, and he said I had no right to stand there; I should stand over on the corner of the footpath, which would face the road down towards town. When I was Motorman I never thought I was harassed by Inspectors. I never had any complaints against the Traffic Manager.

By Mr. Rosser:

I never got any instructions as to checking time-tables. The Rule Book gave me full instructions in those matters. The Inspector's Book was handed to me by Mr. Morris. I have not got it with me. I could not say whether it was a new book; I did not notice any great wear in it. I did not have one for my own property. I have not stayed at a terminus to check a car. I have never been told off to do that. I am aware that signals do exist. I may have used them myself: I am not sure; it is a long time ago. I was Motorman for three years; I never used them as Motorman. The first month or two as a Conductor I did I did not drop it because I thought it was a sinful practice; I thought it was too much trouble. The old hands signalled one another, but they did not signal me very much. I did not ask them to drop it. I did not take the benefits or give any. With reference to Haslam's evidence I deny hiding at England Street, also at Suffolk Hotel. I don't remember meeting Roy Hodson, but I often nod to him. If he states he watched me for ten minutes hiding at the Suffolk Hotel, I say it was untrue. That corner is not a square corner; it is an angle. Any person standing on the footpath in Wood Street cannot be seen by approaching Motormen; at least, I don't think he can. I deny that I stood away back round the corner as he said. I deny that I carried a revolver. I might have told someone that I did, but it was only bluff. It might have been because you were making false pretences with me just then. When it is stated in evidence that I had my coat turned in to conceal the buttons, and my hat off, and under my arm with the badge out of sight. I say it is untrue. I say that Steen may have seen me with my hat off. I don't say I was hiding the coat or the badge, and I did not put the hat out of sight. I never stood on the road to watch the cars, because it would not be sensible. For one thing, the road is only meant for horses, and it is not always safe for a man, I do not think it part of my duty to stand in the road, but I stand back out of the way of harm wherever it is convenient for me to stand. I can find convenient places all over the city of Auckland and suburbs. With reference to Rocklands and the excess passenger, I don't remember the Conductor speaking about it, but I remember the Motorman. I think the conductor was Belmont. He shouted out to me to keep the other passengers off the car. I allowed Mr. Travers to get on, but he is an employee of the Company, and not a passenger under the circumstances. I cannot override a Conductor's rule in this matter; I did not do so. I gave Travers and Belmont raised no objection; at any rate, I heard none. The Conductor would be the one to be fined for overcrowding. I have not received any instructions from Mr. Lysaght to take short cuts from terminus to terminus. It is not mentioned in the Inspectors' Book. I often used Wood Street for that purpose. I remember Herdson speaking to me when I boarded his car, but I don't think it was by way of congratulation. It is a long time ago, and I cannot remember details of everything that took place. I don't say I did not punch the ticket. He certainly bad a ticket when I checked it. It is proof positive that he had a ticket when I punched it. I did not tell him about the art of deduction. I have read Conan Doyle's works, I have read Sherlock Holmes; he is a fine character. I cannot say that I followed it out. I have not got a free hand. I have had many instructions from you. Mr. Lysaght has not interfered with my free hand in the least. With reference to the incident of the two fourpenny tickets, I was
Motorman and Speakman was Conductor. We discussed all sorts of things in covering a wide range. I suppose that came under the same heading. What advantage would it be to me to do anything with him? I did not think it was necessary for me to warn him; he is of age, and understanding. With reference to Bassett's evidence, I don't think there is a big post at the corner of the fence. I deny that I was in a crouching attitude. With reference to Browne's incident, when I looked the car was not full at Wellesley Street; I remember he stopped there, and that is all I know. I did not say there was no cover at the Junction Hotel; I did not mention the word cover. I did not say there was no place where a man could conceal himself. I have not drawn a map of the telephone posts; I have got them in my memory fairly well. I would not be able to testify when standing outside in the road so well as when I didn't. These are not extraordinary incidents, or I should remember them. I say this matter of standing in and out goes on every day, and scores of times each day. I could not possibly remember each time I have boarded a car. I could not mention any solitary occasion when I stood up in the road. With reference to the 1906 Strike, I think I was on the afternoon shift, and the Strike occurred about 5 p.m. I think I left my car. It is a matter of indifference to me now as to whether I regretted it or not, I have not thought of it. I am not satisfied I did the right thing; I have not thought much about it. I did not study whether the men had a just cause for striking at that time, I was always a member of the Union, and I attended the meetings. I really could not say what was done at the meeting in the Y.M.C.A. Buildings. I would not like to say whether I counselled caution at that meeting. You are cautious, but I don't know about myself. I don't call that a prominent part taken. I came to your house about it, but I could not tell the date. I think I was there the morning of the Strike, November 14th. I don't recognise that my coming to your house showed that I took particular interest in it. The case you refer to was not a miss-fare, and I do not know where the passenger got on. I did not take the Conductor to task for not having collected her fare in Ponsonby Road. I remember the incident, if you are referring to George Denham. What really took place is the car was fairly full; I boarded the car, and found a lady there whom I thought had been in the car all the time, so I asked her where she boarded the car and she informed me she had just got on. I was satisfied, and checked the car. I did not say anything to the young woman, and did not intend to say anything to the Conductor, or caution him for it but he followed me to the front and asked me what right I had to ask passengers where they got on the car. After that he became somewhat abusive over the matter. I tried to explain; he would not listen, and thought I had been unjust. I stayed on the platform, thinking he would cool down, and I turned my back on him. He still spoke about the matter. That is all there was in it. I don't think that was a bad start for me; I thought it was merely a misunderstanding on his part. As five coppers being given to a passenger in exchange for sixpence and my going to the Conductor and getting a threepenny piece and two coppers. I say no such thing ever took place to my knowledge. I think I know to what you are referring. I don't remember that incident as you put it. I did not interfere with Conductors as to change given to passengers, I think you refer to C. W. Smith's case, which I reported to Mr. Lysaght, I was on the College Hill car, conducted by Jamieson. He complained to me he had run out of change. He was a new man then, and I advised him to get change at the office. I boarded his car later, and he still complained that he had no change. I took out my purse and found three coppers, and handed them to him and in return he gave me a threepenny bit. He afterwards went inside, but did not avail himself of these coppers; but I don't know why; but went to the front collecting fares. I thought the man, being new, might have misunderstood. I went to the passenger and said, "I see you have a few coppers, would you mind giving me three of them for my Conductor, as he is out of change?" He produced four coppers, and I took three, which I handed to the Conductor, and he handed to me in return a threepenny bit. He afterwards gave to the passenger. It was to enable the Conductor to collect his fares. I went down to the office over this present case, and saw Mr. McElwain there. I could not say whether all the Inspectors were down. I could not say whether some of the Inspectors are afraid of losing their positions with the Company. I am not. I am pretty well depending on my wages for a living. It is not a fact that I have shares in a big brick kiln. I am not going to reveal my private affairs here. I have not been inside a trap for over three or four years, as far as I remember. There was no case of a horse bolting with me; I am quite sure of that. I did not tell Conductor Holden that there was not an honest man in the Company's employ. He is under a delusion if he says so. I do not remember telling Rocklands that the men could bring Mr. Walklate to his knees if they stuck together. I remember having a conversation with Buckley, in which I advocated a Strike. I conversed with him on matters in general, and might have asked him whether you could cancel registration and have a Strike; and he may have told me that the award had not run out. I don't remember saying "That is the only thing that will bring Mr. Walklate to his knees." Bobby Wade told me the men did not approve of the way I conducted my business, I remember the incident of Buckley playing hide-and-seek round the car, and I asked him what was the reason for it; he also had his hat the wrong way about. Rocklands did not tell me the reasons of it. He did not say he "imitating my dirty tactics." I did not know that the men did not appreciate the way I carried out my duties. I could not know what Buckley was doing when he acted in that manner.

I was in the barn three or four weeks. I am not quite sure. I know nothing about Rogers asking for me to be taken out of the barn. I am never on the same road as other Inspectors are, so don't know their methods. I am
very seldom out in private clothes. Any work done as Inspector by me was following the Book of Instructions, I do not think it tells me to get out of sight. I do not follow my own ideas. I don't know why you ask the question as to keeping back out of sight and then boarding a car. I said I did not stand in the road. I have nothing to do with the Motormen, whether they see me or not. I consider it well to be out of the road. It is impossible to answer questions Yes or No.

BY HIS WORSHIP:
I consider it is better for me to stand out of the road.

(Court adjourned to 2 p.m.)
(Court resumed at 2 p.m.)

INSPECTOR TICKLE, examined by Mr. Rosser:

(Report read.) I know the circumstances referred to in the report you have just read. The report is not correct. I have no received a copy from the Company, but I have seen it. I know it has been sent in.

I was waiting' for an up car when this man who was supposed to be injured came over to me and wanted to know if I could tell him who were in charge of that particular car. I referred him to the office for the names it is some weeks since the accident happened. I was not present at the time, and I never saw anything but the finish. He complained something about the men running with the pole the wrong way, and something was said about their pulling the wires out and it was very careless of them. I said it was possible they did, but I expressed no opinion as to getting rid of the men out of the service. I have been asked by Mr. Walklate for an explanation. I did not know which car it was for certain. I cannot see any reason for the Motorman being under the apprehension that a false charge would be brought up against him. That was all the conversation I had with the man and I do not know his name. When I was appointed Inspector I considered I was competent. Instructions were given to me as to how to pursue my duties. (Instructions to Inspectors read.) I consider that good advice, and I have always endeavoured to follow that. I have never catechised a man in front of a passenger. I may have spoken to a man through him speaking to me first. I never deliberately asked a man any question in the presence of passengers. It was in a firm and considerate manner. I have spoken in front of passengers on very few occasions, and only where a man spoke to me first. It lowers both in the opinion of the passenger: If the Conductors in those cases forced it on to me. I was compelled to answer. I answer in a calm and firm way. When I was a Motorman I did not give any free rides. I remember Cusack, the Epsom conductor. I do not remember the instance of two lady friends being with me on the front platform. I would not say, but it is possible they were in the car. They were not on the front platform; that has never happened.

BY MR. MORRIS:
With regard to the Cook Street incident, my waistcoat has bright buttons on. They were not hidden in the way Mr. Rosser described it.

BY MR. ROSSER:
I mentioned the overcoat was too small in the chest. I will explain this: I cannot purchase a suit or an overcoat ready-made that will fit me. I must have three inches across the chest more than an ordinary man. I am seldom able to button the coat owing to the fact that there was not enough room. I invariably work with my coat open, but when windy I simply button it together, and I presume that is the reason I have been accused of all these things.

BY ME. MORRIS;
The coat is single-breasted.

BY MR. CARTER:
The very fact of pulling it over would hide the buttons. This spot is covered by the verandah, and I would not be exposed to the rain when under that. When on duty I am not compelled to wear a uniform. When working in specified hours I am compelled to wear a uniform. I have, never done private clothes duty in that exact term. I have reported a man whilst wearing private clothes. I presume I was on duty, even after working the eight hours. I go on the rule that I am always on duty. That is a rule with the other Inspectors, too, I think. I would not be an Inspector if I didn't like it. If I expressed my opinion to anyone. I think I said I would sooner go back to Motorman; there is too much worry attached to this, but the officers don't worry me I have heard about the complaints given here in evidence. That is not the first time. I have been up before Mr. Walklate because of the agitations made by some of the men for not dealing with them properly. I have known several occasions of Inspectors meeting on the same car. In that case I would not go through the car. No one follows me and reports if I did my duty properly, as far as I know. I have never done it to another Inspector. The Inspectors Rule Book is a printed book, similar to that one you have. Notices are issued to the Inspector? from time to time; they are copies of notices similar to notices in the barn. I did not ask to go to Epsom when Inspector Etheridge resigned. Mr. Lysaght has never told me that all the men are dishonest. He has not even implied it.

BY MR. SHERRY:
When I started on Inspector's duty I certainly understood were a great many points to pick up. I worked
under the old system as Conductor; I never had anything to do with this system. I do not think it is more complicated. I think I commenced duties on a Friday; in fact, I am sure I did. When I was Conductor it was my practice when changing from one block to another to put down the new number before finishing the old one. I always did that, as I was instructed that way. Any Inspector conversant with the system knew that can hardly call it a system: it is not a whole system; it is only a point I agree with you, there are a number of points.

BY MR. WALKLATE:

The only instance when I came before you was when I came to meet a deputation; it was not as to doing my work.

PETER McELWAIN, duly sworn, examined by Mr. Walklate:

My name is Peter McElwain. (Report handed to witness.) I know that report, as to Conductor Herdson's car. That is my report, and it was made in connection with the incident that occurred on his car. That report is absolutely correct. The statements made here as to what was said to me by Conductor Herdson are absolutely correct. (Report read.)

BY MR. ROSSER:

I am decidedly of opinion that that report is correct, and that those words were used by Herdson. I would not go back on what I say. It was without provocation. He spoke to me first. I had previous trouble, but that was an incident on the Kingsland line. Instead of taking me to the back of the car, he came in front of the passengers. I remember the time of the last strike, and that the Inspectors sent a report to the Star Office to say that they were quite satisfied with Mr. Lysaght's administration. I believe all the men were unanimous in The men met together, and they expressed their opinion. They were round about the office waiting for instructions; it might have been outside of the office. I was not called to the meeting. I found afterwards that a report was sent to the Star Office. I am quite satisfied that all the men expressed their opinions in that way. I was satisfied as far as certain things went, but I certainly considered that as far as having a man placed over me was concerned that Mr. Lysaght was to blame for it. I am the oldest Inspector in the service. I am satisfied now with the explanation given by Mr. Lysaght, and, considering the work involved, I should not care to take up that position, as there is a lot of work attached to it. I do not know that there is any difference between the work in connection with that and my own work. I did at the time feel sore, but considering my wages have not been altered I am just as well off, and have not the responsibility. I believe three years ago the Inspectors held a meeting in Karangahape Road, but I am sure I was not there, I do not know whether I received any intimation. I knew that the meeting was going to be held. I consider now that any man who took part in a thing like that, to try and do a man injury, if he got a slap in the face for it it served him right. If a man had a complaint to make, he had a right to make a report. I am not quite sure whether I was Head Inspector then or not. I am not clear as to whether I was a dissatisfied Inspector at that time. I might have felt that I might lose my job, and that is the reason. I had no reason to believe that, but every man has a right to consider his wife and family first. I think the request was squashed. There was some mention about an insulator at the bottom of Wellesley Street. I went to Mr. Hansen and to Mr. Carey, and after explanations they were satisfied that I was not to blame for it. It took fire. I don't know that anyone can blame me for it, as there are similar things that have occurred since. Mr. Carey didn't tell me that while I was pulling the switch out at Wellesley Street he was pulling it in at the power house. I know the switch did burn out, but similar things have occurred since, and you have to take risks in a case like that. I think Inspector Ashe received similar wages to mine, I consider the Management are the ones to deal with the question of a man being suitable for a certain position: it is for them to choose. Inspector Ashe was made Inspector of Uniforms at the Ponsonby Depot. I am satisfied there was a lot of work attached to it. At the time I was a little bit sore about the seniority, and I tried to think what I might have missed, and consider perhaps that I had not carried the thing out as I might have done. I think it falls for the senior Inspector as a rule to do that work. I was Chief Inspector for a while, and did that work then. I have heard nothing as to my not carrying out the duties properly, but it might have been taken off my shoulders to relieve me. I have no more recollection of the round robin affair than what I have already stated said Mr. Lysaght gave it me but I don't know that he told me that it came from the Company. I have no knowledge of Mr. Martelli. I know him personally, but I think he was an Accountant at the time.

BY MR. SHERRY:

I consider a girl is a girl, until she turns 25. They did not appear to be more than that. I have found out since that one of these ladies is a married woman, and has a child. It may not seem fair to the Conductor, as the Company might surmise that these two girls were relations or friends of that particular Conductor; but I did not state it in that way and I did not write the report to read that Way. They did not appear old to me. They were in evening dress, and very often you will find even a woman of thirty in evening dress would appear much younger. I did not notify the Company that one was a married woman. I know Mr. Carey's instructions about dealing with fairness, I might have made a statement to the Company, and mentioned that afterwards I found that one was a married woman, but I won't say that I did. I do not know that there are many men that will say
that I did not give them fair play. Certainly', I say now that it was an error. I could not alter the report, but I could add a rider if necessary. I should have used the term "ladies." The report does not accuse the Conductor of giving anyone a free ride.

By Mr. Walklate:

I explained to you that they were in evening dress, and they looked very young. I did mention that to you. They were going to an evening party, I think. I told you they were about 22 or 23 I thought.

By Mr. Morris:

As to the meeting of Inspectors in Karangahape Road, I used the words Do a man an injury." In using that term I considered that any working under a master who would do anything to undermine him It is only natural that he would slate him down for it I certainly think that meeting was for that purpose of undermining.

Vaughan Walker, duly sworn, examined by Mr. Walklate:

My name is Vaughan Walker. I have been in the service of the Company for 3½ years as Conductor and Inspector. I have been Inspector for about eighteen months. I was Conductor in Brisbane for 4½ years. I gave notice to leave, and got a good discharge. The arrangements there as to inspection were about the same as here. I could never see the reports, and could not tell who reported me. Here I can see the reports. As far as working on the road, it was the same inspectors used to board the cars at unexpected places, before the cars reached the terminus, and report the men, I have been instructed to check the time-tables here, and was instructed to keep out of sight. If see a man doing wrong I tell him, but I don't tell him I am going to report him, because I would get too much abuse in most cases if I did. I never got instructions to pay particular attention to men during the last few days before leaving the service. If I found a miss-fare on the car, I asked the passenger where he boarded, to see if the Conductor had had a fair chance to collect the fare before reporting, as I was instructed to treat the men fairly. Sometimes I found a passenger had overridden a section, and sometimes fares not collected, not necessarily near a terminus. I have found cases of tickets being thrown away, but not generally. I was promoted to Inspector direct from the Conductor's position. I have had training as Motorman. I passed my examination and went to the Ponsonby Depot for instructions, when I was first promoted as Inspector. I have been treated by the officials of the Company very fairly.

By Mr. Rosser:

I had experience as Conductor in Brisbane. It is a private company, It is not a fact that Brisbane and Auckland services are the only private companies. Melbourne is so, or it was when I was there. I could not say whether it is a municipal concern now but I do not think so. I consider men here have a better chance than in the Brisbane service I heard a few complaints about the system there. I have read about the complaints of the Conductors here, but I did not hear of As Conductor I never heard of having to report oneself at the Office. It never happened to me. I was instructed to check time-tables, and keep out of sight. I got out of sight the best way I could. I have never planted myself in an upper room behind a curtain. I have never found it necessary. I stand on the footpath, and board the car from there. I do not take any method to conceal myself at all. I have an overcoat, furnished by the Company, and it is made to fit. I was measured for it and it fits me all right, but it is too small now. I have never taken precaution to cover up the buttons on the coat nor hidden my hat under my arm. I find I can carry out' my work as inspector without that. I have not found the necessity of carrying a revolver yet. I have never threatened in any way. I never told anyone that I carried a revolver, so as to bluff them. I have never had to borrow an extra book because my own report book was full. I have never been told my reports were not coming in plentifully enough. Inspector Griffiths never said to me that he was dissatisfied. I have always been satisfied with my conditions, and have no room for grumbling. I am not a married man. I live in Ponsonby Terrace. I have been there about a month now. I was at Swanson's, in Ponsonby Road, before that, and prior to that I stopped at Mrs. Heaney's, in Sentinel Road. I left there once, and then went back again. I was there about six months. She was the widow of Mr. Steve Heaney, that used to be in the tram service. I have my reasons for leaving the first time, but would sooner keep them to myself. Mr. Morris suggested to me that it would be advisable for me to shift my quarters, and I thought he was quite right. There was a Conductor staying there when I was made Inspector. I might get too familiar with the man. I am perfectly satisfied with the conditions of this Company. It was not because the Conductor staying there had a bad character. I did not know Steve Heaney at all. I knew he had been formerly in the service. I knew nothing about the round robin affair until the other day. They did not discuss these matters there.

By Mr. Carter:

About six weeks after being appointed Inspector I learned the duties of a Motorman. I have done duty in private clothes. I have checked time-tables then. I have done it in the Company's time, not in my ordinary shift. I did not report breaches of rules, but I saw plenty. My instructions were to report the arrival and departure of the cars. I was not instructed to wear false whiskers. As Conductor I was rather reserved, and did not mix up with the general file. I would not hear what was going on very much.

By Mr. Rosser:
I was not Inspector during the 1906 strike. I was Conductor. I was on the afternoon shift. I was on the shift that struck, I am a member of the Union. I think the men were quite justified in coming out at that time. Since then I have seen no reason at all to alter my opinion.

THOMAS HENRY ASHE, duly sworn, examined by Mr. Walklate:

My name is Thomas Henry Ashe. I am Inspector in the Company's service. I have been there about four years, as Conductor, Clerk, and Inspector; about two years as Inspector approximately. Prior to joining the service of the Company I was in the service of the New South Wales Railways and Tramways, I recollect the conditions in Sydney. I was connected with the Tramway Manager's office ten years ago, before the installation of the electric system, I know, although not prepared to swear, that there were private Inspectors travelling on the cars. There were also uniform Inspectors, six in number. I have not received any special instructions to watch men who were leaving the service. I have not been instructed to watch any man in particular. If it is a trivial matter, I warn the Conductor before reporting him; it all depends on the circumstances and the nature of the offence. A miss-fare would all depend on the loading of the car; every Conductor is liable to miss a fare with a heavy load. It would also depend where the passenger got on. I have checked time-tables under instructions from the Traffic Manager and Mr. Morris. My instructions were to remain unobserved. I took up a position between Grey Lynn and Kingsland on one occasion. I know there is a system of signals, and they exist now. They show the whereabouts and movements of the Inspector on the road. That renders it necessary for Inspectors to take great precaution. They have to counteract the signals. I take it it is the Inspector's duty to check the cars unobserved. I have been thoroughly satisfied with the treatment I have received from the Company here.

BY MR. ROSSER:

I stayed at various places while inspector. I am a single man. I boarded with Mr. Etheridge. Naturally we would be intimate, living together and being in the same service. I have never received instructions as to working with female detectives or spies, nor with female passengers. I have no need to resort to that. I don't think it would be a good system. I think I can do my work effectively. My knowledge of the Sydney trams is from ten years ago. I have read about a big upheaval in that service. There was a Royal Commission appointed in 1906 to inquire into it. I could not tell you whether there has been a change. I have not acted as Secretary of the Auckland Tramways Union. I was appointed Secretary of the Sick and Accident Fund. When in Sydney they didn't have a Heard of Appeal. To remain unobserved, I presume, is to remain unseen; I should not think that it meant to take up a station in an upper room or doorway. I known instances where Borough Councils. Road Boards, and individuals have complained of the irregular running of the cars, hence the checking of the time-table. If those complaints come in, the remains that the time-table has not been adhered to. It must be the fault of the men the "juice" going off, or the car being derailed. I would ascertain and report what was the cause. I do not know of any place of convenience for the men at the Kingsland terminus. It is probable that a man being unwell might be delayed. I took up my station between Grey Lynn and Kingsland. I could change at the a defence against the spying by the Inspectors. These signals have not become more prominent lately. They existed when I was the Grey Lynn lino, I do not think they exist any more now; than three years ago. I didn't use the signals when a Conductor, I did my well, or I endeavoured to, it is very probable that I cut across the cars. There were also uniform Inspectors, six in number. I have not received any special instructions to

BY MR. CATER:

I was taken from the ranks of Conductors and made Inspector. When I was appointed Inspector I was instructed to pass the Motorman's examination. I don't remember how long it was; it may have been a few days. I have done plain clothes duty, checking time-tables. If I saw any breaches of the Rules, it would depend on the nature of the offence, and if warranted I would report it. When appointed as Inspector I had no instructions whatever. I was simply told to go in private clothes and check the time-table. I don't remember having reported men for other offences when checking time-tables, though possibly I might. Mr. Etheridge never did any private detective work; at least I never heard of it. I don't remember any system of signalling in Sydney; it was
not necessary for us then. They' had the bell system then. They only had about six Inspectors, but there were private Inspectors as well. I would not swear to that. In 1906 it was said they only had three private Inspectors—a lady and two gentlemen. I would not dispute that. As an Inspector, I think it is a wrong thing to use signals. You ought to know what makes it wrong better than I do. I suppose if a time-table were not maintained, and if some employees know the whereabouts of an Inspector, it would upset the time-table, as they might loiter at the terminus, and so on. As a whole, I think we have a good body of men here. I never heard any officers of the Company say they were a bad lot of men; they have always spoken respectfully about the employees. I have never been asked to wear false whiskers when inspecting. I have never known anyone else to do so.

BY MR. WALKLATE:

I would wait until the car came, and then walk into the road and get on it. I would not stand in the middle of the road, unless at the Despatcher's pole. One of the steps to counteract the signals would be to go from line to line across country. It would be quite natural to go from College Hill up to Ponsonby Road.

BY MR. CARTER:

It might possibly occur that Motormen and Conductors, knowing the whereabouts of the Inspector, would perhaps take advantage, knowing the Inspector to be off the road, and remain at the terminus for a time. As an illustration, say a car is at the terminus for ten minutes after its time, and if an officer of the Company remains unobserved, he notices this, and investigations would show subsequently the cause of his being there all that time. If a Despatcher told him to lay over, for a time, I don't see how they could punish a man for that offence. Perhaps that man would be asked to explain the cause of the delay. You would report a man, and he would get a "Please explain." It does not say the man would be called upon for an explanation, as the matter could be investigated by the officials without bringing a man into it at all. There may have been some unaccountable delay.

(Adjourned to 10 a.m. on Thursday, 16th July.)

JAMES BRENNAND, duly sworn, examined by Mr. Walklate:

My name is James Brennand. I am Superintendent of the Rolling Stock. I have been with the Company 10 months. Prior to that I was seven years in Sydney first of all as Electrical Inspector, and then General Foreman. I can tell you about the Inspection system there. It is very strict, and the men are watched far more than in Auckland. There are a large number of Inspectors. About 60 or 70 of all ranks. There are Inspectors. Sub-Inspectors, Motor Inspectors, Ticket Examiners, and Electrical Inspector's. Seven years ago there was a considerably less number of Inspectors, but the service has increased very largely by three or four hundred ears. I could not say how many Inspectors there were seven years ago, I am not prepared to say what the private inspection is, but there is private inspection, and some of the Inspectors wear plain clothes. I was in the Engineer's Office at head-quarters with a gentleman holding the same position as I hold in Auckland now. They have Bundy Clocks at various points, and at North Sydney about four are used. Before the installation of the Bundy Clock the Inspectors went out and checked the time of the cars. They simply went along the road; I don't think they had any particular rule as to being on or off the road, I consider it would be better to be out of sight. Inspector there did keep out of sight. It is about three and a half years since the Bundy Clocks were introduced. Before that Inspectors used to check the time-tables.

BY MR. ROSER:

I was seven years in the Sydney service. I started there as Electrical Inspector in the Engineer's Department. They are very strict there; more than in Auckland. I was there during the Royal Commission; it was a very long inquiry. There were certain measures adopted by Mr. Kneeshaw that came in for strictures, but a lot of the cases were not proved, Mr. Beeby conducted for the Union, and, I think. Mr. Hollis was associated with him as Barrister. The men complained about the Bundy Clock, and about the method of Inspection. They brought various charges against various members of the service and against Mr. Kneeshaw, but I think they were not proved. The glass fronts was one of the grounds of complaint. They tried them in George Street, and the drivers asked for them to be removed. There are no obsolete brakes there; they are all up-to-date. There has been a Royal Commission as to the brakes also. The Bundy Clocks kept too firm a check on the Conductors with regard to maintaining the time-table. If there is a delay on the line through any cause, loss of power or otherwise, with the Bundy Clock every man running on the line would the same delay; that has happened. On all the single lines they work the staff system, and that compels a man to run to a time-table whole system depends on a staff being at a certain place at a certain time on the single lines. They checked the time-tables along the I think it was said at the Royal Commission that the only possible way of checking them was similar to that suggested by you, namely, looking out from a window, behind a curtain. It all depends on the locality as to whether there is sufficient cover outside. It is no good of an Inspector going to look for faults when everyone can see him coming. The method of having a Union Jack Hying or brass band playing would cer- tainly not do.
I should think an Inspector should get somewhere where everybody would not see him; but I don't think he need take particular moans of disguising himself. There is a possibility of a Motorman telling another one. As to delaying the cars, I am not a traffic man but if I had to catch a train, and depended on the car to get there, it might be a very important thing. One car running late may throw all the other cars late also. You want to find out the man who is causing the delay in the first case. It was said the Inspectors hid behind tombstones in cemeteries, and all that sort of thing. I could not compare this service with the Sydney one for discipline, particularly amongst the rank and file. I have nothing to complain about as to the officers. I am certain I have never told a Motorman that there were Heads of Departments here not fit for the position. I consider I would have been disloyal to the Company if I did. I think there were about 850 to 900 cars running in Sydney. I have been on the cars four nights a week in Sydney, and have had to stand every time and at the time of the Commonwealth celebrations they sat on the roofs of the cars. Going home at night it was not once in a month that I could sit down, as there is no limit to the number of passengers carried. The power is very good. I had charge of the Power Station, and the bolts broke a couple of times a day. The worst gradients are at North Sydney. There is a bad rise going towards the University at Sydney, but it is a long and steady grade. Where I lived I had to run very hard for an ear, as there was only one every half-hour. I have got on with the men here very well; in one or two cases they have spoken rather peculiarly. I don't think there is a man in Sydney would question your authority, and they have done so here. I have not been brought in contact with them very much, but my experience with the men in Sydney has been longer than here.

**BY MR. CARTER:**

I was attached to the Electrical Department in Sydney, and had nothing whatever to do with the traffic. Being in the Engineer's Department, I would only report on the equipment. I was attached most of the time to the North Sydney circuit. They had two Ticket Inspectors and about 75 cars. When I went to North Sydney first the rolling stock there was 35 single cars, and when the cars were coupled they doubled the rolling stock. As to cheeking the time-tables, there is no Despatcher at Gore Hill, but there is an half-hourly service. There is a starter at morning and night, but none during the day. At Neutral Bay there is no starter. Working on the staff system was a chock on the other man; if a man were late it would throw the whole line out of gear. I do think it necessary to have a man out of sight when checking the timetable. I think the best method is the Bundy Clock. Some of the charges made at the Royal Commission were not true. As far as I remember, Superintendent F. H. Brown got a rise in salary; I don't remember that he was censured. Smith was censured, but that was for something that occurred in the old days. I don't consider any inquiry is fruitless; it is well to ventilate grievances sometimes. A lot of the grievances were only imaginary. If there is an Appeal Board I think there is far less trouble, as the Union has to investigate the complaint very seriously before going to the Appeal Board. There have been cases of reinstatement, however, by that Board. The glass fronts are not the same as ours; they are square, like a motor-car. The discipline is not so good here; it is very rigorous in Sydney. I think there should be good discipline—very strict and very just. Mr. Kneeshaw has a very hard problem to keep all those men quiet, and I think he is a very fair man, and if a decision is given against him he is not the man to carry it any further. There is more difficulty on the double lines than on the single ones, and several men have been dismissed for overrunning the staffs trying to make up time. I don't know whether there is ten minutes at the termini, but during the time the Conductor has to do certain work to clean his car. They cannot leave until the Bundy Clock tells you; if you left before the Clock would show it. I am in favour of plain clothes detectives; I think one now and again has a very good effect. In the States it is very much in vogue. I have been out with one in Chicago. I consider if a man carries out his duties that he is paid for there is no fear of anyone "pimping." The Inspector should know the duties of the men he is watching. He may not be a "pimp," but he should report the case. Is any Inspector a "pimp?" An Inspector should be competent and able to do the duties of the men he is over If you have a private detective he cannot do that. All the Inspectors in Sydney do not wear uniforms; I could name half a dozen who never were uniforms. They are not Electrical Inspectors: They are under Mr. Kneeshaw and the Traffic Inspectors. Personally, if I were a Manager of a Tramway I would put every man in uniform, and I would not give them half the chances they get now. I would not call any man a "pimp."

**BY MR. WALKLATE:**

The 75 cars I mentioned were cable cars. They were both motor, driven with one controller. The carrying capacity varied from 18 to 70 passengers according to the class of cars; they had four different classes There were about twenty carrying about 70 passengers, and fifteen cars, similar to the small cars here, carrying about 18. Also, 15 cars similar to No. 49 here, with end seats, carrying about 35 passengers. There is no limit to the accommodation at all. At the termini they have to change sometimes, use a switch, and come through points. The cars are permanently coupled. I did not come across special detectives in America. I went out with a private detective in Chicago, but he was not from a special agency; he was properly attached to the Company, as far as know. As far as checking the time-tables is concerned, it is not so much to check the men as to have the number of cars carrying out the time-table.
BY MR. ROSSER:
The regulation with regard to smoking is very strictly enforced on the cars, and at the terminus, too. The men are not allowed to smoke there.

BY MR. MORRIS:
If a man is running late it may have a very big effect on the equipment if he had to drive his car to make up the time-table, especially on grades.

WILLIAM HAYDOCK, duly sworn, examined by Mr. Walklate:
My name is William Haydock. I am a Clerk in the service of the Company. Previous to that I was Conductor for about 15 months and Inspector for 10 or 11 weeks. Since then I have been a Clerk in the Traffic Office. I was quite satisfied with my treatment by the officials during the time I was Conductor and Inspector. It is nearly three years ago since I was Inspector. I am at the Ponsonby Depot. There was a shortage of 5s. Conductor Guy was overcharged this amount in his account owing to the figure being mis-read; 504 was mis-read for 564. In checking the unsold value of the tickets it showed an excess for 5s. and we gave him a credit immediately. He never paid the 5s.; it was only a matter of a day or two before the shortage was shown on a shortage sheets One Sunday afternoon my attention was drawn to Mr. Morris asking Guy if he would go to work, and he refused. He was asked three times. If I remember rightly, it was to take the Herne Bay run. Mr. Morris had asked him previously that should a man not turn up for the Remuera line would he take it and he agreed. It would be my duty to give tickets and change; but I was not instructed to give him tickets, etc. for the Remuera run; he was not given the Remuera run as far as I know. I was present at the time. Guy positively refused duty; he was only asked if he would take the Remuera line. "When he would not go to work, Mr. Morris got a substitute for the run, and when all the runs were out Guy asked if he could leave his block, and we said he could; he had got his block and change to go to work. He left the block because there was no work, as all the runs had gone out then. He was not dismissed by Mr. Morris. I understood the Head Office dismissed him. I heard nothing to cause me to believe that he was dismissed at the depot. I was present all the time. The Conductor was outside in the Motormen's Room, the Mess Room; I was alongside the counter, and Mr. Morris was with me. There are the usual openings for giving out tickets.

BY MR. ROSSER:
It is three years since I was Inspector. I was only Inspector for about ten weeks—I was relieving Inspector. A vacancy occurred at the Ponsonby Depot, and Mr. Clarke asked if I would take it. It was not because I preferred that position to being Inspector. If I had been permanent Inspector I don't think I would have gone into the office. I remember nothing about the meeting of Inspectors in Karangahape Road. As to the shortage, the Conductor makes up his cash; he puts tickets into the envelope and seals them down, that is the exchange and return tickets, puts the cash on the tray, and puts the amount down in the revenue journal. The Receiving Clerk counts it in the presence of the Conductor. Any shortage in the cash should be detected by the Clerk. I did not take the cash from Guy; at least I don't remember if I did. It is marked in the revenue journal, so much for cash and so much for return tickets. I don't check whether the figures are right or not; they are checked next day as a rule. A man is put on the work especially to check it the next day. That is the method during the present time, and also in Guy's time. Formerly the clerks checked it. I don't think that is a better system, because at that time when they were put away that was taken as final; now it is not; we check the unsold value, and that is carried forward on the book, and a mistake is easily discovered that way. There could not possibly be any dishonesty in that method. I have not heard of young Conductors being marked up with £1 shortage in my time. I have heard of blocks of tickets being lost and found again. There was one case at the Depot this week. The Clerk at the office could not possibly be dishonest without my finding it out. I make a general inspection of their work. I detected the mistake in which Guy was overcharged 5/-in about acouple of days. He was referred to Head Office for refusing to work, but I could no say whether he was discharged or not. I remember hearing something about him hitting Griffiths. Guy was not correct as to what he put in the Revenue Journal. The figure was 504, but it looked like 564, hence the mistake. They were both correct. The man was quite right; it was reasonable for him to work it out at 564. The tickets didn't show it. Every man's shortage is checked when leaving the service. There is not a tremendous amount of trouble over short ages; not that I am aware of, at any rate. It is not the shortage that is charged up, but the amount they pay. For instance, a block of tickets that is lost, when returned, he gets credit for it. I am aware that it might occur, a passenger asking for change of a sovereign, and the man is glad to give change sometimes, and, as you say, he may put the sovereign in his pocket, that shortage would be charged against the man. If the next day he found the sovereign and paid it in, it would go against the shortage. It is not a fact that they would keep the sovereign and pay it in at the end of the week. About Thursday we make up the sheets for Saturday and Sunday; all the runs are allotted. The Last Man on the Spare List is Placed on the First Run, and I Believe Junior Men in the Service Get the Preference of the Larger Runs Guy Was Booked Up on the Kingsland Run; I Don't Think it is a Time-Table Car. (Guy's Evidence Read.) I remember Mr. Morris asking him to take the Remuera run if the man didn't turn up. No one...
is entitled to any run after the bookings are up. It is only at the time of the bookings that we follow that rule. Guy is not correct in his contention that he was not offered the Herne Bay run. I should not think that run is harder on the men. When I had it I didn't think so. I could not say whether that is the last in on Sunday night. I consider that Guy refused duty. I heard Mr. Morris say if he refused work he would be refusing duty, but I never heard Mr. Morris say if he refused work he would be refusing duty, but I never heard him say he would not be required any more. I will swear if he did say it I should have heard it. The length of the room is about the length of this table. (Diagram shown to witness) I answer the telephone when it rings, but I was not in another part of the room. I never moved at that time.

By Mr. Morris:
With regard to the Conductor having any future check, he can always refer to the Revenue Journal, whose own figures are down at the time.

By Mr. Carter:
I said there does not seem to be any discontent about the shortages at Ponsonby. It has not been brought to my notice. I don't remember a man saying he would not pay the shortages, as it was against the Truck Act. I don't remember that, even though you say it was in your presence. With reference to Guy's matter, it happened about twelve o'clock. All the runs were going out at that time. The controversy lasted about five or six minutes, I was not away from the place at the time; I was putting new tickets in the cases alongside of Mr. Morris. Guy was booked up for No. 4 Kingsland run. He was asked to take the Remuera run because it would go out first. I think it went on time, about 12.15. The Kingsland run would be about 1 o'clock (12.50). Mr. Morris got a substitute. Armitage came around the place. Mr. Morris asked me to take charge, and he actually went out and got a man. I could not swear if the substitute was for the Remuera line. There is a certain status for men to sign on by, but that does not apply on Sundays; if a man is up to his time he gets his run. I am under the impression he does not get ten minutes extra pay. Armitage was not booked up that day. I have never seen any partiality as to runs being given, even though the men are three or four minutes late. Guy was offered a run equally as good. Guy didn't have any tickets issued to him, but he had his own block, and he had a waybill. He was not signed on for Remuera or Kingsland, but I could not swear to that. If a man paid in 5/- short, it has been allowed. A conductor does not get surpluses returned, only in this way; supposing a man takes out a block of tickets of £1 0/10. if we have received £1 0/11 for that block, he gets a penny back; surpluses in that way are refunded. Every day I make out a sheet showing shortages. There are slight surpluses occasionally. We don't allow surpluses to balance a man's shortages in that way.

By Mr. Sherry:
It is not the rule now for the man receiving the Revenue Sheet to check the numbers with the numbers on the block. I have a man to go and do that specially the following day. I think the first Remuera run is 12.5, there is not much difference anyhow, on Sunday. The Remuera run goes longer than eight hours. I think, as it pans out longer hours.

By Mr. Walklate:
At the time of Conductor Herdson's discharge his shortages were the largest in the service; they were above the average. Separate blocks are kept for each man. If any mistake such as Guy's occurs, it is pretty certain to come home. It is bound to show it. It could not go through without. Under the old system shortages were a very considerable matter at the Ponsonby Depot. At the rate we are going now shortages will soon be a thing of the past.

By His Worship:
I mean the rate of decrease.

By Mr. Walklate:
The shortages a year ago were from ten to fifteen pounds. To-day we are getting three or four pounds only; that is the actual collectible shortages. A Conductor may be a pound short to-day and pay it up to-morrow. That is not shown. Yes, that must go on the shortage sheet, but we put it through petty cash afterwards. Mr. Morris deals with the old bags, as to keeping them in repair.

By Mr. Rossier:
Herdson generally paid his shortages at the end of the week, but there is still a little left.

MR. ROSSIER: I advised him not to pay it, as it is an infringement of the Truck Act, and I told him so.

WITNESS: The tickets used to be very thin, and printed with advertisements on the back. The tickets are easily loosened before starting to use them, but it may be possible for two tickets to be torn off together. It is not necessary that a Conductor should lose that; he would take that back again, but the Conductor would have to pay it if he were short I have not known of tickets blowing away on the Onehunga run. Herdson always paid his shortages; I would not call him a dishonest man; it has not been alleged that he was. His shortages were above the average but I would not say he was dishonest, though he did not necessarily pay them without demur.

By Mr. Carter:
The spare list men have regular blocks of their own. The tickets are not perforated at butt; they have to tear each one off.

LEWIS GEORGE FRANCIS SPRY, duly sworn, examined by Mr. Walklate.

My name is Lewis George Francis Spry. I am an Inspector in the Tram service. I have been in the Company's employ for four years as Motorman and Inspector, I have been Inspector since May 18th. There was a system of signalling between the Motormen and Conductors, and there is one now. As an Inspector I have to take precautions accordingly. I have had no instructions to pay particular attention to men about to leave the service. Whilst Motorman I was not harassed by inspectors, I am quite satisfied with the treatment I had from the Traffic Manager all along. As to checking cars, I would see the men did their work, but I would use my own discretion when checking.

BY MR. ROSDER:

I was promoted to Inspector on May 18th. There has been no need to pay attention to men leaving the service during that time. I have not been called down to the office about this Board and the present case. I got word I was wanted up here, and I came. Word was sent to me by Mr. Morris. He first asked me how long I had been in the employ of the Company, and practically what evidence I have given here this morning. It was at Ponsonby Depot, not at the office. I had no occasion to use the signals when a Motorman but I saw others do it. Signals were given to my ear. I have known Conductors and Motormen summoned for running past passengers; it is the Motorman's duty to look out for passengers. Since the strike I have not been called a by Mr. Walklate and I did not receive any cautions from him; I word from Mr. Morris. I cannot report a man if he does not do anything. With reference to observing traffic, I have had no occasion to hide myself upstairs, behind a Jog, or up a tree. I don't stand behind telegraph posts. Sometimes I can hide the buttons with an overcoat on, I always button it up.

BY MR. CARTER:

Mr. Lysaght appointed me Inspector. I applied for the I never won a prize on the merit system when in vogue. I am not a senior man in the Depot to which I am attached. Instruction I received were verbal. I have a printed book of instructions at work from 7 until 2, and from 5 to 6.30; that is the I start have not done morning shifts on Saturdays. On the other shift I at 1 o'clock and work until 11, but I have three hours off during that time. I am not always on duty, whether in uniform or not. I I a private clothes Inspector, and' I have never done any of that work. I have not reported a man when in private clothes. I have not had instructions to report a man in such a case.

MR. WALKLATE:

You might turn the coat in so as to hide the buttons so as to show His Worship, You will observe that it did not make much difference as to the show of the brass buttons, Your Worship.

MR. ROSER:

If the coat is turned in that way there is only one row of buttons, and a man might take him for one of the fraternity, and his suspicions are lulled.

(Court adjourned until 2 p.m.)

(Court resumed at 2 p.m.)

EVELYN HARRY MORRIS, duly sworn:

Touching on the subject of the meeting of Inspectors in Karangahape Road some two or three years ago, I was one of those Inspectors, and it was to formulate a petition asking for certain alterations concerning the Inspectors. As far as my memory serves me, in those days we carried small ticket books, containing tickets, which were sold to the passengers at reduced rates, and we asked that we should be excused from carrying these during the 5 o'clock rush; that some sheets that the Conductors sign when we check the car should be done away with, and this has since been done; that we should have new uniforms every nine, instead of twelve, months, owing to the general rough usage they receive; that, if possible, one or more Inspectors, if the Management thought fit, should be excused from coming out at five o'clock and work longer during the day, as the hours were broken on the morning shift; and also asking for an increase of salary, owing to the number of hours we worked. I am quite certain there was nothing in the nature of complaints against the Traffic Manager. I do not think Mr. McElwain was present, but I fancy all the other Inspectors were. He perhaps, had his reasons for not coming. That was the nature of that petition.

With regard to checking time-tables unobserved, I have done a good bit of it off and on, and I have been unobserved, except on one occasion. It is simply to assure ourselves that the time-table is being run something near the time set for cars to leave the termini. We have complaints from passengers that they do not leave on time, and in some instances the cars are delayed longer than necessary, and the equipment suffers in consequence of being driven along the road faster to make up the time. Perhaps, too, the passengers may be hurried on and off when late so the Motorman might arrive in time. With regard to the statement made by Inspector Walker, that I suggested that it was not advisable for him to board at the same place as Motormen and
Conductors. I was giving him some advice. I had been Inspector longer than he, though he was perhaps connected with trams longer than I was, and I suggested it would be well not to board with them, as it might happen that his work would not be made so easy, especially with the men in the house he was living in; and that was my only reason for doing this.

With regard to the question of Conductor Guy on a Sunday, and being on the spare list, the men are booked up about Thursday evening, and on the Sunday as a rule we have nobody at the depot to take out a run in case a man falls sick, though that does not often happen. Conductor Guy was booked up on an extra car we run on the Kingsland route, though not on the time-table. The car, although it invariably runs, is a car we are not legally bound to send out, and if it misses a trip it is our look out. The time for that car is about the same as any ordinary car on that run. The time-table shows three to Kingsland and send four on Sundays. On this particular Sunday in question I think four men were absent, and I did not learn that two of them were not coming until 11.30, when they rang up by telephone. I telephoned for one Conductor and went down to Motorman Smith's house, who had two Conductors hearing with him—Conductors Buckley and Armitage, I asked them to come along, as I had some work going. I think I gave them half an hour to get changed and get to the depot. Just before 12.15, when I was getting anxious. Conductor Guy was in the depot, and I said to him, I think I will have to change your run and you will get a longer run, in the event of the man not turning up. Do you think you will be able to manage the Romuera run. I asked him if he would manage it as it is a run with four one penny sections, and it only goes out on Sundays from my depot, and consequently the men have not had the chance of practising on that run. I don't consider he was as bright a Conductor as, perhaps, the average. However, Conductor Armitage came along, and I gave him the Remuera run, and told Conductor Guy I would want him to take the Horne Bay run. Both cars go out at 12.15, and I don't think at most there is 20 minutes' difference between the two runs. He refused, as he wanted the Remuera run. I asked him two or three times. I had then to make other changes, in order to get this Herne Bay run out, and I had to change quite a lot of men to get the cars out. When I got them out I went for other men. When the runs were out he asked if he could put in his bag, and I remember taking it from him and saying he could put it in now as there was no more work, or something to that effect; that is all I said. I think.

With regard to the whiskers, which certainly grow into a beard in a day or two. I used them to discover, or to get hold of, some witnesses in regard to a tram accident which terminated fatally, and in which the Motorman and Conductor had no witnesses at all. I was given the reports, and asked to do my best to discover some witness, if possible not only for the Company's sake, but also for the Motorman's. Since that time we have had two Motormen who have had to stand their trial for manslaughter, I did it as much for the men as for the Company. I heard these witnesses were dodging me, so I got a hairdresser to disguise me one night, and went along, and eventually got hold of the witnesses' names, and through their evidence it was proved to be an accident.

BY MR. HANSEN:
I used the whiskers entirely on my own account.

BY MR. ROSSER:
With reference to the meeting of inspectors, I had been then about one or two years. It is three years ago. I joined in following the Kingsland accident, in 1904. The accident was on Christmas Eve I think. It must be less than five years since I joined. As far as I was concerned, and I understood it, the object of the meeting was as I have stated. The meeting was really to sign what had been formulated. The meeting didn't last half an hour. Some discussion took place on one or two things. Mr. Bassett was there. We sent in the petition to the Company. I think all the Inspectors were there with the exception of Mr. McElwain. I never heard of Inspector Cox working 25 hours. He would be allowed to go off to get anything to eat. There is dissatisfaction and satisfaction. As I understood the feeling of the meeting, if the Company could not see its way clear to shorten the hours of Inspection, they would be satisfied if the Company thought it was necessary those hours should be worked. We have extra men out on busy days, but there is more work to do now. One Relieving Inspector is an absolute necessity. More than one man would not care about the position of being sometimes Conductor and sometimes Inspector. Had another man been put on work would have to be found for him. I was on the Conductors' spare list before February, 1904 for about three weeks or a month. I had had no previous experience in tram matters. I passed my exam, as Conductor, and was told I passed it well. I was on the spare list at Epsom. I presume the Inspectors and the Company should know their own business best. The increase of salary did not take place at that time: it has taken place since. Before that time Inspectors started at £2. I have done a good bit of checking time-tables. I have gone to termini, and, if possible, by another route on the tram line. I have taken up a position where I could see the cars, and have sent in a report as to the times the cars arrived and departed. I was unobserved, as far as I know, except on one occasion, spoken of by Motorman Haslam, when by the Bayfield Church. I was there long enough to check five cars. That would be about half an hour. If he saw me when he went to town he would probably see me on coming back. Serious breaches I would
report, and let the Management use their own discretion. Under the circumstances I think it was more or less a serious offence sitting on the box. If anything had run suddenly out of Cox's Creek Road he would not be in a position to use his brakes. He is a tall man, but was sitting on a low locker. I can't remember reporting any other breaches. I did not borrow a hook from Inspector Bonner; it was from Inspector Mackay, because my own was full. At that time Mr. Anderson was Superintendent here, and complained very much on several occasions of Motormen and Conductors travelling between the Three Lamps and depot and crowding on the back platform, and so preventing passengers from getting in and out. I am not certain whether notice was put up in the depot that they were to go inside. I was sent to Curran Street to report the number of the car, and also, if possible, the names of the Motormen and Conductors on the roar platform over the number of three. I stood in the road the whole time, and reported. Each man had to be reported on a separate form. They were going from the barn. I think the trouble was there was no smoking allowed inside the car, and they went on the back to smoke. I am quite certain that the petition went into the Company. It was typed or written by Mr. Bassett. I think, but I would not swear to that. There was no secretary required; it was drafted beforehand. There may have boon a chairman, but as far as I remember the mooting took place on the Sunday morning. The petition was read through and signed. I do not say Guy was not competent to take the Remuera run. I do not consider he was as bright as the average Conductor. If you had to explain anything to him he took a long time to grasp it, but I don't say he did not do his best. If he went on in November he had been four weeks as Conductor. When I was on the spare list I could tell you every stop in the whole system. There was a different system of tickets then, and it was more difficult in the old days. There were different colours, and the tickets were not the same all over; in some cases it was much more complicated than now. With this system, if you know the sections, you can work the tickets all right. Taking all things into consideration, I don't think Guy had anything to complain about. I think he was not reasonably offended when there was only twenty minutes' difference between the two runs—that is, between Remuera and Herne Bay run. I considered him more fit for the Hence Buy than the Remuera, for the reasons already stated. I was in the position to judge what was the best thing to be done, and I did it. As to the whiskers, I cannot say I do keep that outfit by me. I was recognised, but I got what I wanted. I have not used that disguise in any other matter connected with the service Inspector Tickle gets his instructions from me at times. I have sent notices to him, but I don't always seal my letters; as a rule they are strictly private. It is quite possible I have sent to him to come to the depot and get instructions from me. I think he is a capable Inspector. Each man has his own method of working. As far as I have seen, his methods are proper. I don't think I should be called upon to say as to his evidence. I have tried to disassociate myself with my place on the Board, but I don't think I should give that opinion now. I have checked the time-table at Newmarket from an upstairs room in a chemist's shop. The chemist not there now. I did not use a room at the Three Lamps. That was the only occasion I was in a room. I didn't use a doorway or a verandah at Kingsland. I can get a better view. I stand where the fit takes me whether if is by a verandah or pole, or not. I don't stand out in the middle of the road when the car is half a mile away. I generally take the road or footpath for it. I don't know that I have made a attempt to hide myself. I stand where it suits me. I have qualified as Motorman. I have driven a car for about four hours. The Motoman has not done anything as to touching a car although he was at my elbow. I forwarded a report to Mr. Brennand. I fancy it was put in at my request. I went out afterwards on car No. 57, and drove the part of the way down Khyber Pass. The report as to the efficiency brakes did not come to me. I was told the car came off the Herne Bay line, and it was put on as an Epsom special, and I drove the car down Khyber Pass and made two stops. The brakes were on the hard side; you may say there were some grounds for its being run in off Herne Bay. I recognise College Hill is worse than Khyber Pass to take a car down. The rise on the bridge in the Khyber Pass makes it safer. There was an excuse, as Motorman Buckley said. I have used no position on the Epsom line for reporting men. I used to get Runciman my boots, and was in there one day and saw what you are about to refer to. I lived at Park head, Parnell. I consider Mr. Runciman the best soles on boots, and I am a pretty good judge. I report the men for the accident, but I could not say whether they got punished or got demerits for it.

With reference to Haydock's evidence, I have not worked in the same position when checking blocks of tickets. On certain occasions I give the blocks out, but I receive no cash whatever. I would not like to say anything about the checking of tickets. Now and again you hear a grumble about shortages, but they are very rare now. The present system is very thorough, but it takes time to check those blocks and to be able to put the shortages on the sheet. The tickets and exchanges are put in an envelope and opened at the Head Office. Beyond knowing that they are checked by two different parties, I cannot say I know any more about it. The Conductor can go down and count them if there is a shortage. I could not say how long the tickets are kept. There have been complaints, but if you are going to keep the man to count his tickets he will be there half the night. I remember Conductor McDonald being dismissed. I remember his wife coming to me about his dismissal.

I most decidedly did not tell her that 25 Union men were going to be dismissed. I asked her to go and see
Mr. Lysaght at the Head Office. If she is prepared to swear I told her that, it is incorrect. I never said that to anyone, and should not dream of doing so even if I knew. I certainly do not know that that is so. I thoroughly agree with those instructions to Inspectors as to taking the Conductor away from the passengers and speaking to him firmly out of their hearing. I never spoke in front of passengers, unless the Conductor spoke to me, and then I have had to answer him. The Inspectors' Book is a little wee book of printed instructions telling them to handle their men fairly. I think Inspector Tickle is the only one that has not got one. I was under the impression he had. I have not got one with me.

MR. ROSSER:
I would like it to be produced.

BY MR. CARTER:
I have been in the Manukau Hotel bar parlour, but never watching the men through the windows, and I never brought a man up. I would like to say I have a friend who occasionally stays there, and I go and see him. I might possibly be able to see a car, but I have not observed, if a man delayed over his time at the terminus he would have to make up time. That does harm. If you feed too quickly they run up to a stop at a fairly high speed. They also hurry passengers on and off. These particular tactics have led me to chek the time-tables on more than one occasion. There is also harm done to the equipment, wear and tear when time has to be made up through loitering, and the oar has to be driven at top speed. I say you could be more economical in the use of current by running at slack time than loitering at the terminus. Anyway, it would be more economical up College Hill. There is also the wear and tear on the brakes running up fast to the stopping places. I never heard of the case of a man named German running from the barn to Queen Street. It is a fact that I open up the barn at six o'clock every morning, and occasionally I have been on duty at eleven o'clock at night, but in those days I take time off in the day.

I may sometimes be asked for the name of a man whom I consider suitable for an Inspector, but my recommendation is not necessarily taken. I do my best in giving out runs from the Ponsonby Depot. A man came five minutes late this morning, and got it. As far as possible I am always fair. If the run goes out at 2.30, and it goes half a minute before, the regular man wants to know why; if half a minute late the spare man wants to know why. It is not a fact that I always take the same man, but some few men may get more than others, on account of their coming into the depot early. Sometimes I have instructions to do something that takes me away from the depot. When giving out Specials, unless previously asked for, I must give out to the men who are there first, or who are among the first, because it has happened that men coming in later don't want them, and the bulk of the men are then underway. I have never been asked for a special, or work by a man if he wanted it, without giving it him. I understand Mr. Anderson was Superintendent during Mr. Carey's holiday. Each Inspector uses his own discretion. It is impossible to lay down hard and fast rules for an Inspector, as different occasions arise, and he must use his own discretion in order to cope with them. I know the telegraph post at Kingsland, and it would be hard to stand on the path anywhere without the post coming between you and the Motorman, but as for plaining myself behind the post, I have never done it. I had no authority to test No. 57 brakes, and I did not make a report. I was riding to Epsom, and drove the car down Khyber Pass. I could not say what for. I don't test any cars that are condemned, I don't consider myself qualified to test them. Anybody know's whether a brake is stiff or not. I was driving more or less for five months. I could not say who counts the tickets. I have heard they are checked by two people in the office. A clerk has to account for whatever cash is taken in. I never reported Davy Inch for smoking. I gave my reason for not considering that case of Haslam's as a trifling offence. If a Motorman walked away from his car and left the handles on the Controller I should consider that a serious offence, as it is a direct breach of the rules, so is smoking at the termini, but that is not so serious. I still contend that Motorman Haslam, sitting on a low locker, was not in a position to have full control of the handles. The locker was considerably lower than the present seats. If a man ran across the road the Motorman would have to cut off the power and apply the emergency brake. If be did not move the locker, it was worse. I won't admit anything beyond that he was sitting down. I was standing on the opposite side of the road from the church. He had the power on. He cut the power off to draw up for me. I did not duck out like Inspector Tickle. I consider it was a serious breach of the rules, for the reasons I have given, I reported men for breaches that were committed according to the Book, such as leaving the car. I would also report a man for excessive use of the current, but the only circumstance was a Motorman during a decker down Eden Terrace with the track brake hard down. I reported that, under those circumstances. I could not say whether it was before or after I qualified as Motorman. F think Inspectors should have plain clothes. I could have a smoke then. I think it to have the termini checked by a man in plain clothes, concealed view. It is the only way to get a practical idea of how the cars are running. It is known that cars do not leave at their proper time, of complaints come in from passengers, and I think it only fair to the Motorman and to the Company to know whether there is any cause for complaint. I have informed a man on one or two occasions that I was going to report him, but it has been the makings of a good quarrel warn a man before reporting him. I consider in some cases a warning
goes further than a report. I don't think it always wise to tell a man before reporting. If a man knew he was in the habit of doing wrong and three or four days after he got a "Please explain" he would remember something about it I was not planted when I reported Haslam. I was on the road. I cannot see the difference in my walking across country to the Grey Lynn or Kingsland line and coming out on the men there. I have heard some Inspectors say they report breaches of rules when in plain clothes, and others say they do not.

**Paul Maximilian Hansen, duly sworn:**

I think I will deal first of all with the reports from motorman Mills. The Strike on November 14th, 1906, took place about 4.30 in the afternoon. About six in the evening Mr. Rosser, the Secretary of the Union, came to my office to interview me in regard to the Strike, and the question as to why Conductor Beaston was dismissed came up, and in connection therewith Mr. Mills' report, which stated that Conductor Beaston was a man with whom he would not work. I read this out to Mr. Rosser, and followed that report up by immediately reading Mr. Lysaght's report to me about the same matter. In a similar way these two reports were dealt with later on in the same evening, when all the men were present, and, Your Worship, it is for this reason that it has now been stated that Mr. Mills' report was added to. It was added to, in a way, because you will observe that Mr. Mills' report is a very short one, while Mr. Lysaght's report was three times as long. But I state most definitely, and I realise that I am here on my oath, that to Mr. Mills' report nothing was added by Mr. Lysaght, especially in the way as was stated, which would imitate Mr. Mills' writing. These two reports were read over one after the other, and that makes it quite clear how the mistake has arisen, because, as I have said, Mr. Lysaght's report to me about the same matter brought so much more forward as to what Mr. Mills had stated verbally to Mr. Lysaght. This report from Mr. Mills was brought to me several days before, and if this report had been in any way added to surely I would have noticed it. But Mr. Rosser and the gentlemen who now state that Mr. Mills' report was added to, and that they saw these reports on that evening, when the excitement was on, will now see that a mistake of this kind could easily have been made. The fact whether it made a difference to Mr. Mills that somebody might have added to his report, and imitate his writing, or whether something was written which he now states he did not say to Mr. Lysaght. I think that is where the real point is. Mr. Mills objected that Mr. Lysaght reported what he is supposed to say and what he did not say. The report is in your hands, and with the explanation I have given I feel sure that this will make it clear as to the way the mistake came about, and that Mr. Lysaght should have been thought to have added to Mr. Mills' report.

I might also say a few words in regard to Mr. Bassett's evidence that he has given. Mr. Bassett acted as our Private Inspector, and he stated that in that capacity he gave satisfaction to the Company. Mr. Bassett is quite right; he did give satisfaction. I consider that a sort of private inspection, or, you may call it unexpected inspection is an absolute necessity. In a tramway system which covers miles of road there must be some check beyond the one which apparently is required here in Auckland, if it is wished that an Inspector waits for a certain car say, at Khyber Pass at 12 o'clock. Inspection of that kind would be quite ridiculous; and I repeat, again, that a sort of unexpected inspection is absolutely essential. But when it comes to a disguised inspection, I have always been, and am still, much against it because I consider a disguised inspection, when men go about in beards, or buttons turned back, they are unmanly, and they are not right.

A good deal has been said, and one of the demands deals with Mr. Lysaght. I have been associated during the last nine years very closely with him. I have known him when he was Chief Inspector for the horse tramways. I was then the present Company's Attorney, and the then Manager of the Tramways expressed himself in the highest terms of Mr. Lysaght. When I took the Management I saw no reason to change my opinion. I can say this, that Mr. Lysaght has been a most conscientious officer, and if he had not been told to go in for the inspection methods that are now complained about, I am quite sure he would not do it. He would never do things like this on his own account. I have already stated I am strongly against disguised inspection, and I am quite sure he has never been asked by Mr. Walklate to do it. So far as Mr. Lysaght is concerned, I have the highest regard for him, and I have so far heard nothing which would alter my mind about him. There was one matter especially brought up against him, that is this "round robin" business, that occurred some nine years ago, in September, 1899. I was here then, in charge of the new Company, and I remember Mrs. Heaney came to see me, and complained that her husband was dismissed. I looked into the matter. I was merely here to convert a system from horse traction to the electric traction, but I spoke to Mr. J. S. Kidd, who is now dead, and he then told me he knew about the whole matter. I said matters of this kind should never happen. They are absolutely absurd, and I strongly disapprove of it. He explained it was one of those local affairs, and that I had not been here long enough to understand, and the feeling against that man was such that other men said they would not work for him. From what Mr. Kidd then told me I did not gather that he exactly started this "round robin," but he also did not say that Mr. Lysaght started it. It appeared to be a matter that was started with Mr. Kidd's approval, so to speak. So far as Mr. Lysaght is connected with the matter in is then position, I do not think for a moment he would have started a matter of this kind. If Mr. Kidd had known it was Mr. Lysaght he would have said so, as I mentioned Mr. Lysaght's name to him.
Now with regard to the signals used by Motormen. It has been stated these signals were started here at a certain time when the men considered it necessary to protect themselves against the unexpected inspection by Inspectors, but I know this is not the case. The signalling was introduced by the first Motormen we engaged for Auckland from Sydney. They brought the system from Sydney, and it has been in vogue ever since. Your Worship has also heard something in regard to one of the promises which was made by me on the settlement of the last strike. The wording of that promise referred to is as follow:—"That any employee accused of anything involving dismissal shall have the right to produce evidence in his defence, if procurable." This was always carried out, but during the six or seven months after the strike there was hardly occasion for me to make use of it because the only man who was placed before me for dismissal was Motorman Rocklands, and when I looked into his case I found there was no reason for dismissal, and he was not dismissed. Then there was one Conductor, Pyke, the only man dismissed during that time. He was brought up before me for dishonesty, and I remember quite well I told him the proofs were very strong and if he made a clean breast of it I would not prosecute him but if he denied it we must go on. He confessed to several charges of being dishonest, and of course he was dismissed, and nothing more has been heard about it. So during this six or seven months my promise with regard to giving reasons to men going to be dismissed really didn't come up. That was the "Paradise" period, Your Worship, but I was not in Paradise myself; I was only supposed to enjoy it.

When Mr. Lysaght gave evidence he made one mistake which I should like to correct. He stated Mr. Martelli was not then employed by the Tram Company, but Mr. Martelli was employed then but he was suffering from his lungs a great deal, and he was very often laid up with his complaint, and it may be for that reason Mr. Lysaght made this mistake. He had an idea that he was not with the Company, and I would like to rectify that mistake.

BY MR. ROSSER:

With regard to Mills' report, it is very probable that I made a remark that as matters were smoothed out it was not advisable to re-open the question. I really considered the whole matter done with, and I did not see any reason why we should re-open it. I could not be a prophet, and look into the future and find it was not done with. I only received one report from Mills. Mr. Mills himself was not very clear, and mixed up his statements considerably. He said he told one thing in the first report, and the other thing in the second report, and really the report contained both matters. An addition was not made to Mr. Mills' report, imitating Mr. Mills' writing. I understood you to say it was really added in Mr. Lysaght's writing, I know of nothing of papers being sorted. We have got a cellar now and there may be some alterations in connection with water, and the papers may have been re-arranged. It is impossible that the second report could have become destroyed, because it was never there as far as I know. These papers were all kept by myself in a safe. I never remember seeing the report. I would be the first to acknowledge it as I have nothing to hide about it. I had a very high opinion of Mr. Kidd; he was universally respected. My acquaintance was not a very thorough one, as I knew him unfortunately only for a very few months that I was mixed up with him. To what extent he approved or disapproved of this "round robin" business I could not say. I was very angry about it myself. He may not have said much about it but he gave me the impression that he was well aware of the fact. I don't know to what extent Mr. Kidd was against it or not, or upon whom lies the responsibility of it. I disclaim all connection with it, and had I known before, it would not have happened.

With reference to the promise made by me as I explained about Mr. Rocklands, it was the only case. He was dismissed by Mr. Carey who had no right to dismiss him. I looked into the matter; it was just a few days after the strike. There were two men passing each other on the cars, and one called the other a blackleg. It was my business to smooth matters down, and I considered a good warning would do, and told Rocklands to go on with his work again. I remember a deputation of the Committee of the Union reminding me of my promise. I think Mr. Walklate said he would adhere to his promise, that all men being dismissed should receive a reason why we should re-open it. I remember the case of Motorman Buckley and the dog on the car three years ago. If Mr. Bassett sent a report in to me about Mr. Lysaght, then I must have received it and it must be filed at the office, but I don't remember receiving it.

BY MR. CARTER:

I don't remember reading Mr. Mills' report aloud, but I may have done so. There may have been a cry out about that report. I would not say it was not so.

BY MR. SHERRY:
What you state as to my saying, "'You naughty man, Mc-Pherson, why did you not apologise to Mr. Lewis" may have been said by me. He had a right to apologise or resign. I remember the case now quite well.

MR. ROSSER referred to Inspector Mackay not having been called and he considered it was necessary that he should be, as it would clear up an important point as to the female detectives. He also considered that the inquiry could not be closed until his testimony had been taken on the matter. He was unfortunately laid up now with an attack of influenza.

MR. WALKLATE stated that he intended to call him as a witness, but he was in bed yesterday and to-day, but if better he would have him called to-morrow.

(Court adjourned until Friday, 17th July, at 10 a.m.)
(Court resumed Friday, 17th July, at 10 a.m.)

MR. ROSSER explained that he wished to clear up the point with regard to the "round robin," and had subpoenaed Mr. Martolli, and, if the Court would allow him, he would have that subpoena served on him and try and get him here this morning.

MR. WALKLATE raised no objection.

EVELYN HARRY MORRIS:
I omitted to state yesterday that while I have been an Inspector Mr. Lysaght never instructed me to particularly watch a man in any shape or form, whether he was either under notice to leave or resigning. Neither did he instruct me to pay particular attention to Conductor Beaston, nor at any time asked me to get any private person to assist me to do anything in the way of detective work or otherwise.

BY MR. ROSSER:
I remember Guildford; he was a very good Conductor. I don't know whether he came from Australia or not, and I could not say whether he went the other side to visit his people. As far as there was no reason to impugn his honesty as a Conductor. I was not instructed to pay attention to him during the last week of his notice. I could not say whether Inspector Griffiths received instructions to do that. Inspector Griffiths is now in Melbourne. I could not Griffiths inspected Guildford's work, even though you state it as a fact I have arranged doubles—that is, working with two Inspectors, checking the same car. It does not necessarily show that there is a suspicion of the man, but to get a true idea of how a man is doing his work; if the car is inspected by an ordinary Inspector, then another Inspector gets on afterwards, and you have a real good idea to go on. It does not necessarily imply that you do not get a true idea from the one Inspector. It is simply to get a true and accurate idea of the which a man does his work. We have not necessarily a suspicion of a man when we are working a double on him. After a regular Inspector checks his car he is subjected to another unexpected inspection later on. I see nothing against it, as far as the morale in the service is concerned.

BY MR. CARTER:
I have done it on my own, to get an accurate idea of the men's work. Mr. Lysaght has never instructed me to do that, not that I remember. I don't remember working a double on Beaston. When I was on the Ponsonby shift I had little to do with Conductor Beaston; if I remember rightly, he was on the opposite shift to that on which I was working. I would therefore only see him during rush times, between 5 and 6.40. It might happen I might only check his car perhaps two or three times a week. I really cannot say I took particular notice one way or another of Beaston. I may have reported him for something, or I may not. I don't say he was a first-class man; I would rather not say. Anyway, he was about the average; but I didn't notice him particularly one way or the other. I could not say what he was discharged for.

ANDREW MACKAY, duly sworn, examined by Mr. Walklate:
My name is Andrew Mackay. I am Chief Inspector at the Epsom Depot of the Tram Company. I have been Inspector for five and a half years—since I joined the Company. I was appointed Inspector. Prior to that I was with the Brisbane Tram Company, six years as Conductor. The inspection in Brisbane was somewhat similar to what it is here. But the discipline is much more strict than here. I have passed as Motorman, and have driven a car on several occasions, ever since I have been with the Company. I Wave driven a car for a couple of hours at a time. If anything happened to a Motorman, I could take the power off him. If I found a passenger without a ticket when checking a car I would ask where he got on; he may have come from town, or only just got on. I treat the Conductors as fairly as I can. I am satisfied with the treatment I have received from the officials of the Company.

BY MR. ROSSER:
I was in the service during the time Mr. Beaton was there. It was suggested to me but I was never asked directly, to get the assistance of friends to catch or trap Conductors. It was suggested to me by Mr. Lysaght, who said if he was in my place he would get somebody, in suspicious cases, to buy a ticket. I had done it once before I was asked to do it. It was in Watson's case. Another Conductor in Ponsonby barn came and told me that there was a Conductor blowing on Sunday how he could beat an Inspector, and I would get into trouble over this. He had said he could make live or six shillings on a Sunday. I came down to the corner of Victoria
Danels. I think he knew the relationship she bore to me. I tried to prove my contention was right—that Spence had never met that passenger before, that I know of; but it was arranged that she should be there. It was a Miss. It would not be picked up afterwards. The ticket was picked up and I was proved to be wrong. Mr. Etheridge. I stuck up for the Conductor's honesty, and said I would arrange with a passenger to buy a ticket, and make reference to Etheridge's evidence. (Part evidence read.) The arrangement arose out of an argument I had with Etheridge. I remember that they are both Motormen, and would require a Conductor each to work with them. Now, with reference to the incident. They are both Motormen, and would require a Conductor each to work with them. Now, with reference to the incident. They are both Motormen, and would require a Conductor each to work with them. I did not think of making this statement because I had known and Etheridge for a number of years, and he was the last man I should suspect of doing a thing like that. The suggestion was made after Watson's affair, about three years ago. I was instructed, with other Inspectors, to dodge from the Kingsland route to Arch Hill, so as to check the cars.

I was present at a meeting of Inspectors in Karangahape Road about three years ago. Mr. Bassett was there. It was called for different things—wages, a less number of hours, and uniforms, etc. I don't think we had less hours afterwards; they were about the same. There was a rise in wages of 5s.; it was £2 5s., or £2 10s a week; I forget now. Mr. Bassett acted as Secretary, I think. I forget whether there was a Chairman. I cannot remember anything about spying on the men. There was nothing to be ashamed of in that meeting. It was an open and straightforward way of putting the grievances before the Company. Mr. Lysaght never asked me to watch certain men. As to watching a man towards the last week, it depends on the record he has; if good, the ordinary attention is sufficient, but if there is anything suspicious there would be extra attention. It would be the honesty called in question rather than a breach of discipline, as a man has a big chance during the last week. I have been instructed to work doubles, in conjunction with another Inspector. Mr. Lysaght gave those instructions. It would not be on good men. It simply means that when an Inspector has checked the ear, another Inspector checks it again further along the line, when the Conductor is not expecting it. Before I went to Epsom I was on the road, the same as other Inspectors. I have never planted myself. I found I could carry out my work with credit to myself and do my duty to the Company without doing that. I am on the Epsom side, and have heard nothing about Inspectors placing themselves poles. Inspector Tickle does not inspect the Epsom line: only on race days, as far as the Junction Hotel. I did not consider it necessary to do that sort of thing. I have never found it necessary to carry a revolver. I felt I was quite safe amongst the men. The men have no enmity against me; at least, I have never heard of it; I feel I have the respect of the men. Mr. Lysaght has never expressed an opinion to me that all Conductors make money out of the Company, but he said some Conductors do so. It is not my opinion that they make money by reason of handling so much. With reference to the Reuss incident, be was put on the morning run about three weeks ago. There was a note sent in that morning by Mr. Scherff that Reuss was to have the morning run. I think he said Mr. Walklate instructed him. Mr. Scherff is Foreman of the depot. I am Chief Inspector in the office. Reuss went out on his run. I remember the feeling amongst the men; some of them spoke about putting their waybills in, but they said they would wait until they went out on the road. The bulk of the men were out before Reuss took his car out which goes at 7.13; it is pretty well the last oar; there is only one regular oar behind that. It is wrong to say the Epsom men are agreeable to his going back. I remember Mr. Sherry coming there, and he advised the men to keep on until you had been communicated with. There has been no effort made to put Spry back. I think he is living in a "fool's paradise" if he thinks the men would be agreeable to his coming back. We have had very little trouble at my depot with these men, except that Reuss incident. They are both Motormen, and would require a Conductor each to work with them. Now, with reference to Etheridge's evidence. (Part evidence read.) The arrangement arose out of an argument I had with Etheridge. I stuck up for the Conductor's honesty, and said I would arrange with a passenger to buy a ticket, and it would not be picked up afterwards. The ticket was picked up and I was proved to be wrong. Mr. Etheridge had never met that passenger before, that I know of; but it was arranged that she should be there. It was a Miss Daniels. I think he knew the relationship she bore to me. I tried to prove my contention was right—that Spence
was an honest man. It was not to trap him. (Part of Mr. Lysaght's evidence read.) There never has been a female engaged to act as Inspector. I myself did it first in Watson's case, on account of that Conductor blowing how much he could make on Sunday. After that I didn't want my people mixed up in Court. I don't know how to reconcile the evidence of Mr. Lysaght as to discountenancing it; I could not say; but the one statement does not seem to match with the other. I have known other cases of tickets being wrongly numbered; only last Sunday, on the Onehunga run there were three tickets the same number. That was reported to me by Inspector Rowe, and shows the machine still makes mistakes. Even if a passenger has a numbered ticket, it is not infallible as a test for a Conductor's dishonesty. I take the whole blame for acting like I did in Spence's case; it was on account of the argument with Inspector Etheridge.

Mr. Walklate called in last night to see if I could come here to-day. Inspector Ashe was there also last night. That was merely a friendly visit. Inspector Rowe is in every day; he is working in the barn, and comes to me for instructions. I have told you the whole truth in regard to this man Spence.

**By Mr. Morris:**
I do not consider the young lady connected with Spence's case as a Female detective. She has never been engaged as a female detective.

**By Mr. Carter:**
I have been relieving Traffic Manager. I was trained as Motorman after I joined the service. I only know Mr. Etheridge since joining the Company. He is rather an excitable man. Mrs. Etheridge was never employed to do detective work. I have no bother as to giving runs out at the depot. Men are sent to the Mead Office for pulling a wire down or insolence to passengers. They go in their own time; they don't lose the run; I always arrange that. They are allowed to travel on cars free when in uniform, not otherwise. As to the appointments of Inspectors, some are taken off the spare list. The majority of men have been trained as Motormen after being appointed as Inspector. It is for the Management to consider about the appointment of Inspector. I have a good knowledge of men. I have heard several complaints about the Inspectors' methods.

**By Mr. Rossier:**
In giving runs out on Sunday, the junior men have the preference. The greenest men are put on the easy run, e.g., Parnell. The best men would be on the Onehunga run. If a regular man was there I would call him to take the car in the case you mention, but if nobody there I would take on a man and go out later and try and find another man. The junior men have the preference for the best runs, because it brings in most money; Saturdays and Sundays are their best days. Some of them don't make much on other days. The senior man has the privilege through the week.

**By Mr. Walklate:**
When I said Mr. Lysaght "issued suggestions" it was in conversation. It arose after the Watson case. He did not say I should employ female detectives. I don't consider female detectives have ever been employed. I had the opinion that Spence was an honest man. I changed my opinion afterwards; I had to. I could not swear as to the meeting of Inspectors; it is three years ago. I remember something was read to the meeting, as to wages, hours, uniforms, etc. I believe I signed something at the meeting. It lasted, I believe, about an hour, as far as I remember. I would not trouble to take particular precautions about the majority of men during the last week of their service. I would be satisfied that the majority were all right, hut in some cases we have a different class, and they are not all the same. In those cases we would take special precautions. I have never had genera! instructions to watch all men that are leaving. I have had instructions to watch a man. As regards doubles, to my mind it does not matter whether an Inspector gets on at any time if a man is doing his duty.

**By Mr. Carter:**
I have inspected cars near a terminus, and have found passengers have thrown their tickets away.

**Claude Martelli,** duly sworn, examined by Mr. Rosser:
My name is Claude Martelli, and at the present time I am employed by Mr. J. J. Craig at the Railway Wharf. I remember being an employee of the Auckland Tramway Company in 1900, or the beginning of 1901. I was there under Mr. Kidd's management. I remember the "round robin." Mr. Lysaght brought it to me, and told me what it was. He said some men had a complaint against the Foreman (Mr. Heaney), and they got this "round robin" up to give to Mr. Kidd to bring the matter to a head. I told Mr. Lysaght "It was rather a mean way of doing things. Why not sign it from the beginning, and come straight down the list?" He said they did not want it known who started it and the thing would have no effect unless I signed it. I demurred, but in the end I said I would put my name at the foot, down below the lot. I had nothing particular against Heaney; he was somewhat uncivil at the telephone. He was a rough diamond. I believe I signed something at the meeting. It lasted, I believe, about an hour, as far as I remember. I do not consider the young lady connected with Spence's case as a Female detective. She has never been engaged to act as a female detective.
"what is the meaning of this. I knew there was a bit of discontent; it "will have to be brought to a head now."
He asked me the reason of my signing it; I also told Heaney the reason I signed my name at the foot. Shortly
afterwards Heaney resigned from the service. I am certain Mr. Kidd would not originate that "round robin." I
remember him as groom, and then Manager, and found him always very straight and outspoken. Mr. Lysaght's
evidence is not correct that he did not know me at the time.

TO MR. HANSEN:
I was not in the room when you spoke to Mr. Kidd about this "round robin" business, and I cannot say what
Mr. Kidd told you. He did not mention it to me afterwards.

MR. WALKLATE said he would like to put in the following documents:—

- The Inspectors' Rule Book.
- Certificate of Service given to the men now when they leave.
- Letter sent by the Inspectors to Mr. Hansen relating to that meeting, and Mr. Hansen's reply.
- Full Press cuttings relating to the recent strike from the star and Herald newspapers.
- Replies I sent to Mr. Rosser to those four letters already put in.
- Copies of correspondence that took place between Mr. Rosser and myself prior to the recent strike.
- Two or three letters with reference to Reuss and Spry.
- Press reports contained in books showing a record as far as I know of the strike of 1906.

It has been suggested that Mr. Lysaght was the cause of that Strike, and it may perhaps throw some light on
that, so I am putting them in with the other documents.

JOSEPH JOHN WALKLATE, duly sworn.

My name is Joseph John Walklate. I am the General Manager and Attorney for the Auckland Tram
Company. I have been concerned in tramway management in various places for the past twenty years or more
in various countries in Europe. I have been connected with tramways in the United Kingdom and Australia, so
that I am pretty conversant with the methods adopted. I have also studied tramways in the United States and
also Canada.

As regards Herdon's case: I have to state that Herdon was discharged from the Company's service, and
offered a week's money in lieu of notice. He was informed that we had no further use for him. The reason that
was afterwards given was that he had been insolent to an Inspector. Prior to that his record had not been
altogether satisfactory. In a service like this we take a man on if we want him and it must follow that if we don't
want him any more we put him off—that is the universal custom. A man, if he does not wish to continue his
job, can leave it by giving the usual notice, and the employer is at liberty to take similar steps. It is not
necessary for any reason to be assigned by either side. There is another point that has arisen during the hearing
of this inquiry, that is as regards the payment of a week's wages in lieu of a week's notice. That is a common
proceeding, particularly a common proceeding, in the tram service. It is equivalent to a week's notice, because
the man is told he will not be required in a week hence, and his service will be paid for during that week. He
may not be called upon to work; it is in effect a week's notice, but during that week he is not required to work.

As to checking time-tables, I might state on that subject it is necessary to check the arrival and departure of
oars from the outside termini, and whatever has come out in the evidence as to that I take full responsibility for.
It is necessary for me to know this to enable me to endeavour to work the service satisfactorily, and to know
exactly how the cars do arrive and depart from the termini, and I have to take these steps to ascertain it, and I
shall continue to do so. The only other matter I want to mention is Mr. Lysaght. I have been connected with this
Company for slightly over a year, and I can only say I am perfectly satisfied with Mr. Lysaght's performance of
his duties. I know of no actions of his to which exception can reasonably be taken, and I do not think he would
wish to act in an unfair manner with any of the men under him. These are the only matters I wish to speak
about.

BY MR. ROSSER:
I am quite certain that a week's wages were to be given to Mr. Herdon. It was not offered to him at the
time; I am satisfied he told, but I was not there. He was told by me when he saw me in company with yourself. I
remember saying he was going to get it. Mr. Lysaght was instructed what to do beforehand, and he informed
me he had done it, and Herdon in his evidence states that he was very excited and shocked at the time, and that
accounts for it. I should be very surprised, as well as shocked, if I received a cable from London that my
services were not required. With reference to Brown's case, I do not reinember stating that we were shortening
the spare cannot remember every detail. I am not aware there were men outside to sign on. I say it is not
necessary for any reason assigned by either side, the Award says when a man is but dismissal and discharge are
two different things. Where a man is discharged with notice no reason is necessary, but where a man is
dismissed a reason is given.

Mr. Rosser read Clause 10 of the Award. Herdon was not dismissed; he was discharged. When we have
dismissed a man we have given good cause. Until I am convinced in some way that I am wrong, of course I
shall continue. I have also looked up Webster's Dictionary, and I think that it states these words: Discharge, refers to the completion of something, but Dismissal, means dismissed from office.

**His Worship:**

If an ordinary seaman gets his discharge, then the voyage is over: there is nothing, as it were, against him, and he must get his discharge; but suppose a seaman gets a dismissal, there is an imputation there.

**Witness:**

If you spoke to a man in the Army as to his discharge, nothing is said; but if you asked if he were dismissed from the Army, he would probably knock you down.

**Mr. Rosser:**

Then the word discharge has acquired a certain moaning with regard to seaman that does not exist in any other service.

**Witness:**

It is not mentioned in the Award about a week's wages. I remember Holden's case. There was some misunderstanding about that. It would require no consideration; my view was a week's wages from the very first. I believe Herdson has not yet returned his uniform. It has been the custom that when a man returns the property of the Company he gets back his money. We hold a week's money against his clothes, and so long as we have any money in hand we call that back money.

With reference to checking time-tables, it is necessary to check the arrival and departure of the cars. I will take the responsibility of Inspector Johnstone engaging rooms. I consider it was necessary, though it was before my time. There was no spying on another man. All the Inspectors were told to do was to tell us the arrival and departure of the cars at the terminus. I have heard about Mr. Tickle's tactics and I remember the deputation drawing my attention to them. I am not satisfied that Inspector Tickle has done anything like what is suggested. The point appears to me to be something like this: I consider an Inspector would be foolish to expose himself to the man on the car coming up but, on the other hand. I would not view with favour any Inspector hiding or crouching behind a fence, but I don't think he has done that. He assures me be has not. I certainly believe Tickle, when he says he has not crouched down. I have to be a trustful man to some extent. I see there is a likelihood of a strike in Sydney, owing to the espionage there. It has not been suggested to this inquiry that I employ private detectives. In conversation with you, when I was first introduced on referring to the big Unions in the Old Country, I think I said I thought it was not so terrible in New Zealand after all, as Strikes were prohibited here. You must remember New Zealand has been looked up to as a paradise where labour troubles were unknown; that was the impression put about in the Old Country, and I am afraid it is not quite correct. I have seen Strikes in the Old Country, and I was concerned in one about the construction of a Tramway. I have also knowledge of other Strikes in other countries. I am afraid in New Zealand no Strike is justified.

Now with regard to Clause 4: "Any Inspector proved guilty of making misstatements, or false reports against employees, shall be instantly dismissed."

I remember that Press cutting that you are now referring to, about Inspectors disguising themselves. Those remarks were addressed to me by Mr. Carter I believe.

I didn't know that that Inspectors' Rule Book existed until a day or two ago. I don't believe in books for Inspectors; an Inspector, who wants a book, would not in my opinion be suitable for the position. When asking Conductors and Motormen to take a position as Inspector, we have met with a few refusals. I presume it is because they don't care to work under the conditions for the Inspectors. I won't admit that we don't get the best men as Inspectors. I don't know that George Nichols has been asked. I won't say there are not as good men on the ears as Inspectors; some may be better. I remember some of the names mentioned by you but I remember the faces more than the names I consider that Rule Book obsolete, and I have given instructions for it to be withdrawn. The same thing applies to the other Rules. I am only waiting for time to complete new Rules. It has not come up, as to taking notice of any report where the Inspector was in plain clothes. I would take notice of a report if on an important matter, and I should be much obliged to any officer if they saw anything serious to notify me. I knew nothing about Spence's ease, or as to "sisters, cousins and aunts" being employed. I accept the responsibility for whatever goes on now. I believe "the end justifies the means." in that ease, at any rate. The only means I have of judging as to a man's private character, is the record of the man's services in the Company. I had a record of Herdson and I did not consider lie would be a satisfactory man; there were misunderstanding about that. It would require no consideration; my view was a week's wages from the very first. I believe Herdson has not yet returned his uniform. It has been the custom that when a man returns the property of the Company he gets back his money. We hold a week's money against his clothes, and so long as we have any money in hand we call that back money.

With reference to checking time-tables, it is necessary to check the arrival and departure of the cars. I will take the responsibility of Inspector Johnstone engaging rooms. I consider it was necessary, though it was before my time. There was no spying on another man. All the Inspectors were told to do was to tell us the arrival and departure of the cars at the terminus. I have heard about Mr. Tickle's tactics and I remember the deputation drawing my attention to them. I am not satisfied that Inspector Tickle has done anything like what is suggested. The point appears to me to be something like this: I consider an Inspector would be foolish to expose himself to the man on the car coming up but, on the other hand. I would not view with favour any Inspector hiding or crouching behind a fence, but I don't think he has done that. He assures me be has not. I certainly believe Tickle, when he says he has not crouched down. I have to be a trustful man to some extent. I see there is a likelihood of a strike in Sydney, owing to the espionage there. It has not been suggested to this inquiry that I employ private detectives. In conversation with you, when I was first introduced on referring to the big Unions in the Old Country, I think I said I thought it was not so terrible in New Zealand after all, as Strikes were prohibited here. You must remember New Zealand has been looked up to as a paradise where labour troubles were unknown; that was the impression put about in the Old Country, and I am afraid it is not quite correct. I have seen Strikes in the Old Country, and I was concerned in one about the construction of a Tramway. I have also knowledge of other Strikes in other countries. I am afraid in New Zealand no Strike is justified.

Now with regard to Clause 4: "Any Inspector proved guilty of making misstatements, or false reports against employees, shall be instantly dismissed."

I remember that Press cutting that you are now referring to, about Inspectors disguising themselves. Those remarks were addressed to me by Mr. Carter I believe.
BY MR. CARTER:

Mr. Herdson was discharged. I have not tried to make his case parallel with a man leaving the Army or Navy. I have no objection to giving a man a reference. If he is dismissed I don't give one. A bad Motorman may make a good Inspector—an inefficient Motorman, or how bad, I will not say. I believe in giving the senior position; everything else being equal. I always do. I have heard it stated that men are taken from the spare list, but it depends on individual cases, and I could not give a general answer. In a serious case a man can see the report against him. If a passenger complained about him, I would allow him to see it. If a man were called to the Head Office, and I was satisfied that he was right, and he was in jeopardy, I would show him the report.

BY HIS WORSHIP:

If he satisfied me after conversation, I would not consider it necessary to show the reports, I must keep sometimes the names of the people to the report a secret. I do not want necessarily to commit myself to show the correspondence I get from outside, but where necessary in the interests of the man I will do it.

BY MR. CARTER:

Motorman Buckley's case was before my time. In a "Please "explain" I think the purport of the report is put in, but sometimes a report would deal with two different subjects. I think we might put in the full report.

BY MR. ROSSER:

It is about six months, perhaps less, since that certificate of character was issued. Before that, it was not my practice to give any certificate, excepting to men going out of the Company. In England it is a practice not to give references for men passing from job to job. But big firms keep a big form for sending to employers asking very full questions, but when a man is leaving the service and going abroad, it was a general practice to give him a certificate. Unless going abroad, it was not given; that practice was followed here, until we decided to bring this form in. That certificate was given. I understand, as he was leaving the country.

(Court adjourned until 2 p.m.)

Mr. Walklate:

I have finished the evidence now, and I take it any remarks should be made at this time.

Your Worship and Gentleman.—I will be as brief as I possibly can, but there are some matters I would like to deal with. My task is a much simpler one than I anticipated, in view of the demands that were made upon us and which formed the basis of this inquiry. I think I should impress upon you the mass of information which has been placed before you, and ask you to view the fact that the points at issue are Conductor Herdson; reasons to be given in case of discharge and dismissal; inspection of reports; and calling evidence of the men who are reported for breaches of the regulations; false reports; Mr. Lysaght; and, lastly, the question of so-called blacklegs.

I do not propose to deal with the evidence in detail, much of which is quite irrelevant, and the remainder is wholly insufficient to support the claims advanced. I shall therefore leave it to the Board under the able guidance of Your Worship to analyse it. The greater part of the evidence put forward by the other side relates to ancient history, but times change, and methods with them. Much of it is evidence that really did not relate to any of the points I have enumerated.

Turning to the incident of the "round robin" and Heaney, that is one of the most startling proofs of this fact, that it dates back to ancient history, considering it occurred before either of the parties to this dispute were in existence as organised bodies in Auckland, and, further, the people concerned in it are both now dead. Surely it shows a weakness on the part of the Union to have to go back so far for evidence in support of one of their demands—nearly ten years. Had it occurred recently it is quite possible great stress might be laid upon it.

The arrangement as regards to men who are dismissed from the service being given reasons was hardly brought to a test during the period that had been referred to, immediately' before I came here, excepting in one instance, where a man confessed his dishonesty. As regards my actions in this matter, they have been governed by the Award of the Arbitration Court. There have been several matters mentioned during the hearing, and one of the application forms in use has been held up for some criticisms by the other side. I would like to point out that an amended form got out some time ago and actually printed, would have been in use for some weeks, but for the fact that some accident hap- pened, and a parcel lost. The point is, they are practically discarded and others will be in use immediately. References have also been enticed. I have put in a form of reference which is now the form in general use, and is given to a man leaving the service, except such as are exempted on the face of the form. Improvements such as these mentioned have been carried out by the Company, and we are always to make these sort of improvements; but it must not be forgotten that the Company is entitled to some consideration. It was also suggested that a man on joining the service had to pass a severe ordeal before being engaged and he had to produce references for ten years past, but that is not a necessity, and it has not been a necessity actually, because men have been engaged who have had no reference whatever. So long as a man is capable and does his work conscientiously in the service he need not fear of losing his job, as it means when
taking on a new man that during the first six months he is a source of anxiety and expense until he has become conversant with his duties. It is a duty I owe to the Company, and also to the public, to engage the most suitable men. It is inevitable that mistakes are sometimes made, and then we have unsuitable man, and, of course, he has to go. Suspension has been mentioned, and I may point out it is a form of punishment, if I may use a term, I am not in favour of, and in any case it is only resorted to as an extreme case, and the time is paid for if a man is found not to be have been guilty of the offence which brought about a suspension. There is another aspect of this matter which has not been brought forward, and trouble for this Company has been brewing ever since the Award of the Arbitration case was made. It was early in June last years, and dissatisfaction was expressed that the demands of the Union had been granted by the Court; and from that time onwards we have had more or less trouble. Shortly afterwards, in the following month there was trouble with regard to the "strap-hangers." The employees' decision not to carry more than the number of passengers that could be seated caused a great deal of disturbance between the employees and the Company. From then onwards various applications were made to the Labour Department, and informations put in against the Company. Many of these came to nothing, which I think shows that they were vexatious, and intended to harass the Company. On that subject Mr. Rosser, in his opening remarks, stated that the recommendations of the Arbitration Court had been ignored by the Company. Although those matters did not concern the present inquiry, I think it only proper I should point out that these recommendations that seats should be provided on the cars for workmen were carried out. That is an item I think that was mentioned. Another was glass fronts on the cars and those have been tried on ten cars. Overcoats have been supplied, The spare list was another item about which recommendations were made, and I submit improvements in respect to the spare list have been made, although the number of men has not been reduced. The average wages of the men on the spare list, indeed, are now much higher. Holidays were mentioned, and that was the only recommendation not acted upon. A few months prior to the hearing of the case the Chairman made some offer to the employees as regards holidays, but it was refused dealing with questions in the Particulars of Dispute. As regards to Conductor Herdson, as I have already stated, he was discharged. He was told a week's pay would be given him in lieu of notice, not yet returned his uniform, nor applied for the pay for that week An employee is at liberty to leave any job on giving a week's notice or forfeiting a week's pay; and it is the custom, not only in the Dominion, but throughout the world, for the employer to take the same course as the employee. It is surely not right that this Company should be compelled to deviate from the accepted rule, which no other Company is compelled to do. This question of reasons was strongly urged in the mining dispute of 1901, but neither the Board nor the Court which adjudicated upon it would grant it, and it has not been remedied by any Court in New Zealand. For instance, an employer may have evidence that satisfies him that an employee is dishonest, and yet it might be impossible for him to prove it in a Court, in which case surely it would be better for both parties that a man gets notice to leave rather than be dragged into a Court, at the risk of his character being damaged or the employer charged with malicious prosecution. It may transpire that after a man has been engaged it is found he is subject to fits. That is a matter most difficult to prove; in fact, a medical examination will not disclose the fact, and surely to keep him on would obviously be a very great risk, not only to the Company, but to the public. It is quite possible at any time more suitable men may offer than those employed, and surely the Company should be free to take them on, even if they have to dispense with the services of the unsuitable men they have. Again, a man who may have an excellent record in an office or shop, if we engage him as a Conductor, we may find he may have a temper, rendering him unsuitable to us as Conductor. It would be best for us to dispense with his services, but it may be difficult to give a satisfactory reason to the man; almost impossible. Another instance; a man may be found disloyal to his employer, or, for some other reason, quite unsuitable, and surely we must be free to remove them if we consider it necessary.

As regards the second item, that is, giving reasons for dismissal. Reasons have always been given where a man has been dismissed, and by dismissed I mean dismissal without notice; and therein I differentiate from discharged. In those cases where a man has been discharged, with a week's notice or a week's pay, we are under no obligations to give reasons. No reasons are therefore given, beyond the statement that we have no further use for him. The illustration I gave before, that an old soldier would be highly insulted if you said he was dismissed without reason, is an illustration of a case where no reason to the man; almost impossible. Another instance; a man may be found disloyal to his employer, or, for some other reason, quite unsuitable, and surely we must be free to remove them if we consider it necessary.

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the management of this Company, I think that what you have heard will demonstrate to you that there is a very small proportion of dissatisfaction. I question whether it is possible that a man can be found in such a position with a large body of men without being objected to by some I must state that if the Board gives way to the men in this case it would render the position an intolerable one. I am afraid a man who would please all the men would be of no use to the Company. That is pretty obvious; in fact so far as that evidence is concerned regarding Mr. Lysaght, I think I should have no hesitation in characterising it as flimsy in the extreme. The question of Inspectors must of necessity be obnoxious to any employees not carrying out the Company's regulations. The Company must be protected against broaches on the part of employees and there are also some men about whom we are receiving complaints from the public, and it is only with an efficient system of inspection that we can find out what is going on. I would point out, too, that Inspectors, as you are well aware, are employed, not only as tramways, but in every other large business. Banks. Government Departments, railways, post office, and in all large stores; if not in New Zealand, in other parts of the world, and throughout the world, and in many cases these Inspectors are supplemented by a system of provide detectives as well. It would surely not be suggested that these Inspectors in any of these institutions should notify a department before they call in to make an inspection. I know in my own experience it is not done. It would render their inspection absolutely useless if they did it. The object of the Inspector is to make an unexpected inspection, and to see that the persons concerned are carrying out their duties. If the inspection is not unexpected, then naturally they would be prepared and carrying out their duties. Under those circumstances the bad would be on the same level as the good. Proper inspection disclosed a fact a certain proportion of the employees are bad and therefore useless to the Company. Again, if the Inspectors were curtailed in their action, in the manner suggested, and if we were bound to give a satisfactory reason before discharging a man, a man that we knew perfectly well was defrauding the Company would remain in possession, and we would have no means of getting rid of him.

The last item is the matter of "Blacklegs." I use the term, although it has been applied incorrectly to Messrs. Reuss and Spry, who refused to go out on Strike. I always understood a "Blackleg" was an outside man, who volunteered to come in and take the place of those who had gone out on Strike. These men did not do that, but in this case they simply had the moral courage to refuse to be coerced into committing a breach of the law. At the conclusion of the Strike an agreement was made with the men to resume work, and this question of "Blacklegs" was then raised, and it was clearly agreed that the men were kept off was because His Worship the Mayor made a suggestion to me that I should keep them off to allow the feeling to subside. This was explained to the deputation that came to see me, and they termed it a "graceful concession on "the part of the Company," but it was afterwards said that the Union understood that I had agreed that the Company should keep these men off until this Board sat. I may say it was a misunderstanding on their part. However, one man, as you have heard, was put on his car for some half a day, and, as was pointed out to me by Mr. Rosser, there was some feeling raised about it, and that happened to he the very day we received news of the appointment of yourself as Chairman of this Board. I thought it was close to the time when we would have the matter dealt with, and we would keep them off. That is the reason that these two men are not working. There is one aspect of it I should like to emphasise. This man Spry was driving his car on the morning of the Strike, and he refused to leave his car. By leaving his car iii the street he would have rendered himself liable to proceedings under the Arbitration Act for striking, and to proceedings, I think, under "The Police Offences" Act "for blocking the roadway. The other man Reuss reorted for work in the afternoon on the day of the Strike; and both of them were engaged for some hours at the Epsom barn. These men have been paid their full wages since the Strike commenced, because I think no decent Company would do otherwise to men who had remained loyal to them as they did. And further, Your Worship, no Conciliation Board, however constituted, would force any Company to discharge men for refusing to break the law. This is an arbitration under the Arbitration Act, and I have no fear that the Board will do otherwise than to protect these men, who have endeavoured to follow the Arbitration Act.

MR. ROSSER:

Your Worship and Gentlemen.—I may say that I propose to treat the matter in the first place as Mr. Walklate has treated it—that is in the order in which the demands were made to the Company, and latterly have been placed before the Board. Therefore, I will take Clause 1—Herdson's re-instatement. I submit that even now no cause has been assigned for Herdson's dismissal; it has been alleged that he was insolent to his superior officer, and on that I would say it is a question of one man's word against another's—that of Herdson's against Inspector McElwain's. I cannot plead that there would be a difference between their temperaments at the time, as both, perhaps, would be excited; but Herdson's evidence is entitled to serious consideration as much as Inspector McElwain's is, and it has not been proved he was insolent to his superior officer. But, assuming that McElwain is correct, which I am willing to assume for the moment, it is an offence not necessarily punishable by a summary dismissal.

I asked Mills a question in his evidence, Had ho been insulted or received insolence from a Conductor under his guidance? Mills was in the position of Switchman, which is a serious responsibility in a crowded
thoroughfare. Upon him rests the sole responsibility of stopping the cars, as he takes the responsibility of a collision at certain points. His authority is higher than that of a Ticket Inspector, and while it came out in evidence that Mills had been insulted by a Conductor, who had even used obscene language, not as in the case of Herdson, where he used "King's English" only, but this was a case of filthy, obscene language, and Mr. Lysaght himself in that case said that he would send the man down to apologise or he would have to be dismissed. He apologised, and the matter was ended. Now, I mention that to show that there is no precedent to show that this is an offence punishable by summary dismissal, even on the assumption that Herdson was insolent, which we deny. It was, as you will discover, not a regular thing to check a car so close to the terminus. When that is done it implies a suspicion on the man in question that would rouse his ire, and hence he took the step he did. He spoke plainly to the aggressor. He is a gentlemanly young fellow, with good address, and comes of a good family. It is natural he was roused at the way McElwain doubted these girls, and doubted his word. Burke is wrong when he said "The age of chivalry is dead." No doubt he used language that was not respectful, but that is a big difference to insolence. Then, again, the punishment was beyond all requirements for the offence. He was summarily dismissed without a character, and, as I have pointed out several times during this inquiry, look at the character a man had to put in where even copies of references were of no use, and if copies were placed in the first act of Mr. Lysaght was to say, "I want the originals if you have them." I may say for a long time I was unaware of what the application form was; I could not get one, and the only way I could get one was by sending a young fellow to apply for a position. He didn't want the job, but came to me with the application form, and I typed it out and during these proceedings I have lit upon an original which has been put into the Court. I ask Your Worship to seriously consider—the other gentlemen have considered these facts—this application form—a form which is not in existence in any other average employment in the world.

Now, then, I think I am right in asking that the man who comes into the service with a character, and has to answer the questions on that form, practically for the previous ten years, and with all the other minutiae that are set down in that application—he is justified in saying, "I am dismissed at a moment's notice, without a character, and I am "practically ruined." It is not the first time this has been done Beaston's was a parallel case, Beaston was dismissed, or discharged which ever you like to call it, makes no difference, at a moment's notice for an offence he did not commit, viz., writing on a window with a smoking wax match. He was discharged, and there was a Strike over it; what was Beaston's case in 1906 is a case of history repeating itself in the short space of eighteen months. The former was, punished by a fine in the Arbitration Court of five pounds and costs, and the latter has to be decided on when the Arbitration Court comes next to Auckland consider it is not asking too much in that proposition that He shall be reinstated or given a valid reason for his discharge.

Now, with reference to the Clause 2—the written guarantee. I would point out that the wording of this and other propositions was framed at the time when there was no mention of a judicial Board to consider that. They were in the form of an ultimatum to the Manager but the prayer is the same to-day as on May 20th, when this ultimatum was delivered. The two Strikes were from parallel causes, and Mr. Hausen agreed to some provision that would obviate cases in the future, and that was carried out while he was in the service, and then after six months, instead of "a people arose that knew not Joseph," I might say, "a Joseph arose who knew not the people," in the person of the present General Manager, who came to the Colony fresh from the Mother Country, and of course, he brought his ideas from the Mother Country. I don't think we pride ourselves over much when we say that although Britishers are Britishers all the world over, there is more difference between workers in the Old Land, with all its hoary traditions, to workers in this freer country, with this climate of ours in New Zealand. I do not think I am disrespectful to Mr. Walklate when I say that perhaps the experience during his first twelve months' Managership of this Company in Auckland, will stand him in good stead, and the temper of the Colonial worker is not as he understood the temper of the British workman in the Mother Country. We have
it in his reply, and it was also advanced during those four days the men were on strike; that this is not a good proposition, because it is unworkable and that if a reason were given, it would be actionable. Well now your Worship. I may point out that I suppose that in the standard works, such as "Smith on Master and Servant." it is clearly laid down on page 347 (it is an old edition, but I am informed there is no alteration), and I would like to read this for the benefit of the members of the Board. (Extract read.) Now that fairly shows that a reason given to Herdson in a bona fide way without malice (and malice would have to be proved in the event of any action against the Company), and that character would be privileged and not actionable. That is so in law, but I submit with all due respect to the law, that sometimes there is a higher reason that a certain thing should be done, and not only is the legal aspect in favour of it but I think the moral aspect is in favour of it also. I am aware that characters are freely given—sometimes too freely—simply from a desire to say, "Well. I do not wish to do him any harm, and I will give him a fresh start." But in this case it is advisable that no honest man should be refused a character. Now, the Company has not shown Herdson was not a dishonest person, and he had a right to his character, and we now ask that this shall be embodied in the Board's finding with regard to this trouble.

Holden was dismissed without reason. Brown was dismissed. A man after three years' training in the Melbourne Tramway and Omnibus Company. Now. I presume we sometimes look to the other side as furnishing the readiest instance of where a man has to keep his eyelids peeled, and if a man can serve three years in Melbourne and Sydney, it is not for us to say. "He might come up to their requirements, but he is not good enough for Auckland." I feel in Auckland we have everything to learn from a good many places that are outside of our boundaries, and Brown, having served three years as a Conductor, and, coming here with references (and he is not an insolent man, but a man of good address and good training), was dismissed and told that he was not required; that he was not suitable, and that they were shortening the spare list. I am a witness to that; I heard it said; and when we came out we found men waiting to sign on and take his place. The latter reason was not tenable, because ocular demonstration proved that, and the training of the men disproved the first contention, that he was not suitable. The fact of the matter is, the Company want men who are docile, submissive men who realise the Apostolic injunction. "Servants obey your Masters, for this is right," and they forget the corresponding injunction, where the master has to be careful of the servant Brown and Herdson were men who stood up for their rights. They would not allow any man to trample on them. These are specimens of men no longer required, because "unsuitable."

Clause 3. The weight of evidence has been that this has not been done in the past. I will guarantee that Conductors and Motormen have learnt something during this fortnight, that they can see the reports if they ask for them. Many of them have been too timid to ask for them, and those not too timid did not realise they had a right to ask for them. The weight of evidence has been that it has not been done in the past. Mills' report, that we have complained about—that report that was sent in by Mills, and was added to—the evidence shows a direct conflict, and all the Board can do is to weigh the one against the other. Mills said his report was added to, and as one who recollects Mills' attitude on that evening, I can bear witness to it. It was only too painful, he was raging at finding that one of his mates had said, "That is a crook report you put in against Beaston." and when read he said, "It is a lie; I never wrote that report." We did let the matter rest. We tried to resurrect it, but Mr. Hansen, with his affability and desire for peace, said, "Let the matter rest," and it was allowed to drop. If the course of procedure had been altered, the matter would have rested still. Men are called down there, and the reports read out to them, and in some cases they cannot say whether there are any interpolations in that report. They get on at the Inspector, and say that he has told lies, and yet there is nothing in the Inspector's report compared with what has been read out. My own recollections are clear on that: Mills' are also clear, and also the men who were standing around me. I think Mr. Buckley mentioned he was on my left side when I read the report. The report is not produced, and the only solution is that there has been a shifting from the old office to the new, and there have been documents lost, as two Inspectors were sorting them out and tabulating them quite recently. I am as certain that the sun will rise to-morrow morning that that other report, that could not be produced in this existed at that time, and that was the report I read.

Now dismissal for false reports has been dealt with by Mr. Walklate.

Now I come to Clause 5. as to Mr. Lysaght's removal from direct contact with the men. Mr. Walklate has put a peculiar construction this. It would be dismissal or discharge. Ah we ask is that he removed from direct contact with the men. There was another officer at the time of the 1906 strike, Mr. Kidd, jun., and he was not discharged; but Mr. Hansen was wise in his own day and generation, and when the Union insisted upon it practically removed him on 1st, 1006, from direct contact with the men and yet he is in the of the Company to-day. I am not pleading for a special created for Mr. Lysaght. The Union doesn't trouble about they are practically unanimous in this matter, that Mr. methods have been the direct opposite to conciliatory, and causing men to work in harmony in the service. In a service like this it is absolutely essential for the complete success of such service, and to study the requirements of the public, that there should be harmony No business would last any length of time in which the principals and subordinates were at "sixes and sevens" the whole
time. So in a service like that somebody must suffer, and I dare point out it is the public that suffer through this want of harmony in working a service like this. I have seen a Motorman refuse to go to a fallen wire, and although a competent electrician, he said, "Why should I go and help a company that does not help me?" I must confess that is a terrible sentiment to get abroad amongst a body of men, and the sooner that is eradicated the better. It would make Mr. Walklate's business lighter, easier, and less responsible if matters were arranged so that the men would see that it is better to work in with the Company as the parts of one big machine all working in harmony to bring about a desired result. But I submit it will never happen so long as Mr. Lysaght is allowed to continue in his position as Traffic Manager.

We have been accused of introducing ancient history; well, the Union is justified in sketching his career, because had it been one of modern instance it may be reasonably concluded it was an error of judgment, and it was not right to jump on a man because he had committed an error of judgment. But, in order to make the matter more conclusive, and put it before the Board in all its points and bearings, the Union has shown how he has boon concerned in his operations with the men as far back as the last century—1899—as that is the date of the "round robin." In this there is another conflict in the evidence. The witness Mr. Martelli, who was here this morning, whom I had no opportunity of speaking to personally until he came into the box, states that Mr. Lysaght, in his opinion, was the man who first introduced the "round robin." Now, Mr. Hanson's evidence showed that it was Mr. Kidd, and Mr. Lysaght's evidence showed that it was Mr. Kidd, and I can only assume the most charitable construction that "it is because dead men tell no "tales, but live ones do." In this case I feel a little bit grieved that an imputation should be cast on a man like the late Mr. Kidd. I knew him by sight as a boy, and as I grew to manhood, and when he died there was a universal feeling of regret and appreciation of an honest man who had left, and a straight man. I am not alone in that; I have made inquiries, and I find that opinion was universal, and now we have him brought in when no longer able to speak for himself. The "round robin" is an artifice, adopted by timid men, to get certain results without danger to themselves. No man should be afraid to sign anything openly. The "round robin" is a resort for timid men and in many instances cowardly men, and this is the method adopted to bring about the dismissal of a respected servant, Mr. Steve Heaney, who "was a bit rough, but who was a diamond." His discharge shows he was respected by the Company, and that is put in as an exhibit. I want to point out the incongruity of this. Hero is a Manager (Mr. Kidd), who wants to get rid of a subordinate, and at the same time it must not be lost sight of he has the matter of discharging him in his own hands, as he can give him notice of a week or a month, and say, "Heaney, we don't want you anymore, you are unsuitable," and Heaney could do nothing. But, instead of that, the man who has this power in his hands gets up a "round robin" and gets the men to sign it that they want Heaney out of the road. It is ludicrous; it is too absurd. Now, take Mr. Lysaght's evidence. (Read.) Therefore, I say we go from that—it is absurd—to have it told us here by Mr. Lysaght on oath that Mr. Kidd wanted the "round robin" to discharge a man he could have discharged with the stroke of his pen. And we are to accept that as truth! I refuse to take it, and I don't think the Board will take it either. Then, again, he gives a direct denial to pretty nearly all the charges.

Inspectors Cox, Bassett, and Campbell; he does not exactly say they are liars, but he practically states that what they say is not true, I felt sad at his evidence, and when I got home I found that George Washington had died in 1799, and possibly that was the reason of my sadness. I thought, here we have one word against three. The Board will weigh the evidence and draw their own conclusions. Not with reference to Mr. Hansen, he gave evidence that Mr. Kidd did apake to him about it and I must give Mr. Hansen's evidence the same construction I have given Mr. Lysaght's. I cannot conceive it is possible that any man who has the power to do it with the stroke of the pen could descend to such means, particularly knowing Mr. Kidd's character for probity and honesty. Mr. Martelli to-day has confirmed me in that opinion by his evidence, and had I seen him before he went into the box there is other evidence I now find I could have drawn, which I did not draw, and which I cannot now refer to. Therefore I think we are justified in going into ancient history, because it is by mistakes in the past we can shape our course in the future. Now, we do not ask for him to be discharged or dismissed, but to be removed "from direct contact "with the men."

I now come to the "Blacklegs." These two men whom we call "blacklegs" were put in as witnesses, and I must confess they made a very sorry showing for themselves and for the Company. Spry was a self-confessed "blackleg" of twenty years' standing. In 1888 he stood out in the Melbourne Strike; in 1906 he did the same thing, and also in 1908. A man who is too busy educating his two little children at night to even read the papers, and the man who never reads the papers. I consider an ignoramus, and one that cannot keep abreast of the times, as he can form no opinions of his own except by comparing with others: and that is the only way that one is able to form them and to mature them. He is probably the only man in Auckland who never read the newspaper during those four days of the Strike. Reuss has figured in two Tram Strikes. It has been a bone of contention ever since that a man who is a man would never have stood what they have stood in the Epsom Depot. They have been "sent to Coventry" ever since. It is not a pleasant of affairs for men who are working in the Company, where you harmony and concord, instead of discord. Each of these men have a Conductor, and
the very man who was working with Reuss wanted to know whether he would be found fault with if he went on with work. Sometimes I have to give absolution, and in that case I had to do it. It shows the feeling men have in working with others who are traitors to their own kind. Apart from the law as to whether you are doing your duty to your master, there is the law as to whether you are doing your duty to your neighbour; and in this case I submit the duty to the neighbour was the higher duty. Reuss was not pressed by the Union to say where he had put in five years of his time. I did this out of consideration. I say this, if the two men are put back it will do violence to the feelings and the self-respect of the majority of the men who have to work with them. Mr. Mackay was asked this morning as to the feeling of the men at the Epsom Depot. He is a very quiet, estimable, straight going officer, and he is popular with the men; not sacrificing the Company's interest for the sake of popularity, but is able to do his duty to the Company and yet be obeyed and treated with respect by the men under his control. There is less trouble in the Epsom Depot than in the Ponsonby Depot, and it is due to his tact in handling the large body of men. And yet there was his experience and opinion. There was trouble three weeks ago, and there will be trouble if these men went back. Now, then the Board has got to decide whether it was in the interests, or, if you put it bluntly and heartlessly, whether the interests of two men are to be sacrificed or 250. That is what the Board have to solve, and it may be that they may say, in the interests of the majority—and the majority should rule—"the feelings of the majority should be considered." If there had been 50 or 60, or a larger number Mr. Walklate could have made, perhaps, a better case, but when there are only two against the rest, I say it is a very poor case indeed. It is true the men have agreed to abide by the decision of the Board, and they will loyally abide by that decision, and they are prepared to do it; otherwise they would never have gone back on the 25th of May. Practically the men considered the ball was at their feet, and it was only standing up to get what they asked for, because the public was beginning to get restive, and the public will not consider either party if they are being defrauded themselves. So, when the men considered the position they decided to leave the matter with the Board and abide by the result. Therefore there is no need for me to impress the serious responsibility that rests on the Board in weighing these matters and giving their decision.

Now, as to the line of defence adopted by the Company. The defence has practically been a denial of everything. Even Inspector Tickle, who has figured largely throughout these proceedings, denied everything. The only time that he was hiding behind telephone posts was in a storm or in bad weather. The number of cases when that has happened, and that have been brought forward, must give Your Worship a very poor opinion of our genial Auckland climate. If every time he ducked out from behind a post there was a storm on I would tremble for the poor opinion of the climate you would have from the evidence given by him that he only did it to keep in shelter. He cannot help getting behind the posts; it is his nature. Dr. Watts has told us that long ago, and he is a living exemplification of the fact: "it is his nature to." The other inspectors seem to have struck fair weather where they were; they did not need to hide from the storm, and yet they did their duty efficiently, and Tickle does not. He does not keep out of sight after all; therefore there is no need for it. That is why the signalling has gone on to such an extent, because of this man being promoted and using those tactics.

Now, I think the Company cannot be congratulated upon the promises they make, especially with regard to Tickle, and they committed a serious error in promoting a man like that. They denied everything. Now, if the Company had brought forward this defence, it would have been a very hard matter for us to combat it, "That it must necessarily "follow that in a Company like this, with such a large number of men "handling such a big amount of money, there are shortages which we "have to account for, and cannot, and it is absolutely necessary to take "some precautions to provide against this," then that defence would have been very ingenious, and one hard to meet. Instead of that it is a defence of denial, and that is the easiest defence the Board can have to consider. Where there is a direct conflict of opinion, it is an easy matter to weigh the evidence for and against, and that is what the Board has to do. I think that it must be decided that the weight of evidence is against the Company in that respect. There has been hiding behind the curtains, and Johnstone took all the responsibility of that. It must not be lost sight of however, that an employer is responsible for any acts done by his subordinate in carrying out the employer's work.

It has been proved time and again that an employer is responsible for what is done in his absence even. In licensing matters I think you will bear me out that that is so; the landlord is responsible for what is done by an appointee in his absence. And so in this case the Company cannot disassociate themselves from any acts done by their Inspectors, even if unaware of it; but the Company was not unaware, because my letter book shows that there are letters notifying them. In this case the letter-book shows that the Company were approached months ago with reference to Tickle's acts. A special deputation waited on Mr. Walklate, consisting of ten or twelve of the Conductors and Motormen, who complained that they were harassed by this man, and Tickle was there, and the Manager heard all the parties, and yet there was no alteration. Mr. Lysaght cannot plead he knows nothing about it, because Mr. Buckley, the ex-President of the Union, told him of it, and I believe that Mr. Lysaght expressed disapproval of his tactics, and there seems to be dis-approval amongst his fellow-Inspectors. There is not one of them that will imitate him. "Imitation is the sincerest flattery," but none will imitate; he stands alone.
in this respect. He considers Sherlock Holmes was a fine character, and he has been dubbed "Sherlock Holmes" in the service. When "he sees a feather there must have been an egg to produce "that feather;" that is his idea of a deduction. If the Company had admitted taking these precautions, it would be a hard defence for us to meet, but they have not done this; they have denied everything. Mr. Hansen has not scrupled to express his disapproval of these precautions, and in his evidence says, "They are unmanly, and are not right." Mr. Morris was asked—and from his judicial nature he claimed exemption, and I respect that exemption—to give an opinion, but I leave it for him to give his opinion in the right place.

Then comes the question of espionage, and it is a very peculiar fact that Sydney was quoted by Mr. Brennand. He expatiated on the Sydney system of discipline, and said it was better, and the supervision was more rigorous. But I claim there is a difference between and espionage. Discipline is not produced by espionage, and while he was expressing his approval of Sydney discipline, etc., modern science was flashing the news across the sea that the men of Sydney—the highly disciplined men—had kicked over the traces. They had done such an undisciplined thing as to remonstrate against the espionage. Where is the discipline? The line had been drawn to breaking point and now we hear that the Commissioners are to receive a deputation bearing on this matter, and that the Unions are prepared to enforce their demands. Where is their discipline now? I say the men in Sydney had gone under espionage until it was too hard to bear, and in this case perhaps espionage has something to do with the discontent of the men at present in Auckland. I must admit, and I think I should discipline he wanting in intelligence and judgment if I did not admit, that discipline is highly necessary. I do not wish to belittle discipline there is a necessity for it, but it is not brought about by espionage—the one is necessary, the other repugnant. We have to go back to the French Revolution, and if a man wanted another guillotined all he had to do was to drop a private communication in a letter box, and the man was condemned in private, and guillotined the next day. Espionage is always distasteful. It is not so only to those who are doing wrong but I submit the most upright and conscientious men cannot work under a system of espionage. One of the greatest punishments to criminals who may be immersed in a cell is to have a cell with peep holes in, where the warders have espionage on his every movement. Day and night there is an eye watching him, and he doesn't know, whose it is or what for. Discipline can be brought about by treating the men with justice, firmness, and respect. Espionage will never do that. Compare the Union's witnesses in the box and then it is only necessary to refer to Mr. Lysaght. He did not give his evidence in a manner that was calculated to impress any judicial Heard with a sense of the truth he was giving in the box. There was a shrinking, a stammering, and a halting. Then take Mr. Morris himself, and questions put to him in the box. I do not say this, that there was a carefully-thought-out answer before Mr. Morris gave it and no persons hearing his answers could do so without seeing at once that there is something behind, that he is carefully fencing and evading. I mentioned it at the time, and he took time to think. Why should there be time to think, when the truth is hot upon a man's lips? I do not accuse him of untruthfulness, but I say he engineered the answers given by him. Take the Inspectors. If you will note when you come to read the evidence, the evidence from the Junior Inspectors is much of a much ness, the same questions for the same answers, and it shows the evidence is on one particular line. And then, if you compare that evidence with the evidence given by the Union's witnesses, it must be apparent to all there is a great difference in the conduct of the witnesses in the box. Take Etheridge; you yourself, sir, rightly warned the man as to his manner of giving the evidence. I could prove that man guilty of perjury, but choose to discount his evidence altogether. He did not know! I never saw such a judicial Agnostic in all my life. He knew nothing under cross-examination, but in the examination he knew everything even as far back as four years ago. But when it came down to seven months ago there was a lapse in the memory. I don't believe in memory being intermittent like that. I have heard of old men able to remember things which occurred in their boyhood better than things occurring recently, but I cannot understand a young man going into the box and showing such an intermittent memory as he did. Inspector Tickle was all right until cross-questioned, and then he gave some evasive answers, and one question I asked him he could not understand: but when your Worship asked him the same question in the same words, he grasped it at once. That will give you a remarkable idea of how intelligence penetrates into some minds, but it makes a difference as to Who asks the question. Mr. Spry admitted they had been cautioned by Mr. Morris to be very careful how they carried out their duties until the present agitation was over. How long is it going to last, if the same system of espionage and hiding is to be pursued after this Board gives its finding? With all due respect to the Board, though they give their finding, the irritation will remain. It is a psychological fact that the lid of the kettle makes the noise, because there is a fire under it and it is of no use removing the lid to stay the agitation—the fire must be removed. I apply the point. You have to remove the cause, and I think this inquiry has shown that the cause does exist, and the sooner it is taken away and matters remedied the sooner we shall have an effective service. I trust the Board will speak with no uncertain sound at to its finding in this respect. The defence has certainly shown that there has been a lack of dates on our part. This certainly is a defect, but it has been so common during the last twelve months that men have ceased to record it but that will be remedied. The Union
is now giving an order for books for the breast pocket. I trust they will not be needed. I am anxiously looking forward to a settlement of the difficulties by the finding of this Board. I have only to compare the Wellington and Auckland service. I strived there a fortnight recently, and made my way amongst the men there. I found the Inspectors, Motormen, and Conductors were a happy family compared with what we are here. They were all in the Union, and that did not imply that there would be collusion to defeat the interests of the Company or the interests of the public. Those interests were being studied: at the same time there was harmony amongst them. I fail to see why the same thing cannot obtain here. In Wellington I find the men were studied. I find there are Despatchers' boxes, where a man can make up his sheets, and see the cars going along in all directions, sheltered from the weather, and if you compare that with our men here it is a wonderful improvement. It is a wonder the Despatchers last as long as they do. Here they cannot use indelible pencils even in making up the day sheets. They have been told they don't keep the sheets decent. How can they do it?

Now, with reference to glass fronts. If the Company would carry out the recommendations of the Court, and introduce glass fronts, there would be much more content in the service.

With reference to these men that have been discharged. Why, some of these men are holding good positions. Take Holden, he is with a good employer, and gives good results, and that shows it was not his character he was discharged for. He reflected on the condition of the brakes—that was the reason. Brown has acted in different capacities at the Grand Hotel, and bears a splendid discharge, but the season has now closed. Cox is in the Railway Department. He got no reason for his discharge, and he came here with the full knowledge of his superior officer. Herdson is too recent to speak of. He would have left the district, but the Union wished to retain him here. He need not trouble for his future. Apart from any character he has lost from the Company, his address and his past career will get him a position again.

These are not wastrels, but respectable young men that have been discharged from the Company. What a shame they should have been dismissed on frivolous pretexts.

Now, as to the difference between "discharge" and "dismissal." In Annandule's Dictionary I find "discharge" means to dismiss. I looked up "dismissal." and I found it was to discharge. The same thing occurred to a visitor to Auckland, and clergyman, the Rev. James Flanagan, who had London experience, and we look on London as the hub of the Universe. Mr. Flanagan was at our church parade, and acted as chaplain for the occasion, and the same thing struck him as anyone else. His definition between discharge and dismissal was given in the course of his definition between discharge and dismissal was given in the course of his address, and he said this: (Extract read.) That was his idea, and it evidently does not exist in the Old Country; and one can only say, with all due respect to Mr. Walklate, "it is strange such difference there "should be twist tweedledum and tweedledee." That is the only difference between the two words. Mr. Walklate introduced the dissatisfaction with the Award, though the men have abided by it loyally; and though they did not get the increase of wages asked for they have abided by the Award ever since; but there was also the question that the men were being asked to perform too much work for the money they got, and the result was the strap-hanging question arose, and the men objected to take more than the car was licensed for. They were well within their rights, and well within the law. We have a pliable City Council in Auckland, and they amended the By-law, and allowed more accommodation to be found in these ears, and the men have abided by that By-law. I may say, however, that the matter is in abeyance, and as soon as these proceedings are settled the appeal will come before the Supreme Court as to whether that By-law is ultra vires or not.

With reference to the shortages. It is a well known fact that the shortages occur at rush times in crowded oars; wrong change is given, while men are pulling switches, opening points, etc. I take it the men have been justified in the action they took, because if they pay shortages they don't get overs, It may seem rather strange as to why they should not have overs. It is impossible to avoid this, and I may say some men are unable to make up their own block. On a two-hours' run a man has had 22 blocks of tickets, amounting in value to £37 10s., to take out for two hours, and there is a big responsibility. I totted up one man's tickets, and sent a letter to Mr. Walklate to say that the men were responsible for this amount. The man had to put some in his trousers, some in his waistcoat, and some in his coat pockets, for a two-hours' run—22 different blocks of tickets! That is a source of discontent among the men and I think the Company have been told about it and should do their host. The men are overburdened with responsibility. Glass fronts are being tried. I am told they happened to be on the ten oars they were obliged to purchase.

M. WALKLATE: It is wrong; they were made to our order.

M. ROSSER: I withdraw that.

Now, with reference to Herdson not receiving his week's pay. Considering the matter was in abeyance, the Union advised Herdson, or, rather, the Union decided, he was not to put in his uniform until the Board has decided on the question. That is the reason he has not put his uniform in.

With reference to the reason for dismissal in the mining case in 1902, I have dealt with that. It has never boon brought forward that a man subject to fits should be retained, and if so, where is the necessity to mention
it? A man can be told "you have the interests and the lives "of passengers at stake." and that is not actionable. So also with temper. I do not think it would be actionable to tell a man he had a brute of a temper, and he was not fit. Mr. Walklate has brought this in. His illustration of the Army and Navy was dealt with this morning. Discharge has become an accepted term in those departments, and it has become an accepted term of the Tram Department; that is the explanation of it. If you take a sailor, he knows what you mean, but I have never heard it applied to a Tramway management before.

I think now I have practically covered the ground opened up. There is only this to say, that Herdson's shortages were mentioned as being above the average. Now, as I asked Mr. Haydock that did not show him to be a dishonest man although his average was higher; yet he paid it cheerfully; he paid everyone except the last, and I advised him that the Union considered he was not justified in doing that.

With reference to the Award, it does not show you can suspend a man. "He must be discharged for good cause." That will be made a matter of comment in another Court. Mr. Walklate also mentioned the fact that frivolous charges were made with reference to running the cars, and nothing has come of it. I say we have a ground of complaint where regular men, for working on Christmas Day are entitled to time and a-half. It was a wet day last Christmas, and men were taken off and sent home because the oars were not required. It was a Southern ruling that a man is entitled to a week's wages if he gives weekly service, so long as he is ready and willing to work. It occurred in connection with the Arbitration Court. We contend they were weekly servants. The attention of the Labour Department was drawn to this, and it was sent on to the Law Department. That is still in abeyance, and we shall bring it up before the next sitting of the Court. It has been pointed out by the other side that they are discharged men that have given evidence here. Mr. Cox was a discharged man; he is now in good service. Mr. Bassett was a man who, as Mr. Hansen said, did his duties well, in a not very pleasant and trying position, as private detective. Mr. Hansen spoke highly of him in that respect. Now he is an auctioneer in this city. It is no inducement for him to come here. It may be said it would be an inducement the other way, not to speak against the Company. Mr. Bassett deemed it his duty to come here and testify as to what he knew of the management, seeing we had decided to bring in history, and to show the Company all we could concerning Mr. Lysaght from the first. Mr. Bassett deposed that complaints about him were sent in to Mr. Hansen. I want that document produced. That will show that this has not been trumped up by the Union; it happened in the past, and is still happening. And now, in conclusion, sir, and gentlemen, I have to thank you for the time and patience you have bestowed on this inquiry. The Union has risked its all on this inquiry, as we have agreed, as I said before to go back to work, and leave the matter in the hands of a Judicial Board, when perhaps by standing out we could have forced, so to speak our demands on the Company. That was not done. The men, in a wise moment, considered it was wiser to trust to a Judicial Board and go back to work.

I wish to state that the Arbitration Act is still supreme in this respect; that the provisions of the Act said to be so much in jeopardy still obtain; and that the Tramway men, in striking, did not wish to see that Act despised, or repealed, but that, though they broke the provisions of the Act, yet had it not been for their desire to obey the Act this Board would not have been sitting now.

His Worship: You will have noticed to-day has been a very hard day on the stenographer. It has been talking all the time, and consequently we will not be able to get the transcript from him until Monday morning, and I don't consider it fair to ask for it before that.

We propose to meet on Monday at 10 o'clock to find out what we will do. In the meantime I propose to go through the evidence myself, and we will then meet together and discuss matters.

I may say that this matter is a very serious one indeed, not going to hurry, as it requires due consideration, and that will be given to it. We will let you know 24 hours before we want you, and then we need not interfere with the Brake Commission.

(Court then Closed.)

1. Alexander George Jarrett, of Swanson Street, Auckland, Authorised Reporter by examination under "The Shorthand "Reporters' Act, 1900," Do Hereby Certify that this, and the foregoing 210 sheets, contains a true and correct transcription of the Shorthand Notes taken by me on the dates, at the time, and in the place, above mentioned.

Dated this 20th day of July, One thousand nine hundred and eight.
A. G. Jarrett.

The Board's Finding.

Victory for the Men.
Under the Industrial Conciliation and Arbitration Act and its amendments, before a Special Board of Conciliators of the Northern Industrial District, in the matter of an industrial dispute between the Auckland Electric Tramways Industrial Union of Workers, hereinafter called the Union, and the Auckland Electric Tramways Company, Limited, hereinafter called the employer, and of an agreement made between the Union and the employer dated 25th May, 1908.

Judgment in this case was given at o'clock on Friday, July 24th.

The President of the Board. Dr. McArthur, S. M., in delivering the decision of the Board, said:

"The Special Board of Conciliators, having taken into consideration the matter of the abovementioned dispute, and having heard the Union by its representatives duly appointed, and having also heard the employer by its representatives duly appointed, and having also heard the witnesses culled and examined and cross-examined by and on behalf of the said parties respectively, do hereby recommend:

"That as between the Union and the members thereof and the employer, and under the abovementioned agreement, the terms, conditions and provisions set out in the schedule hereto, and of this recommendation shall be binding upon the Union and upon every member thereof, and upon the employer, and that the said terms, conditions, and provisions shall be deemed to be, and they are hereby incorporated in and declared to form part of this recommendation; and further, that the Union and every member thereof, and the employer, shall respectively do, observe, and perform every matter and thing by this recommendation, and by the said terms, conditions, and provisions respectively require to be done, observed and performed, and shall not do anything in contravention of this recommendation or of the said terms, conditions and provisions, but shall in all respects abide by and perform the same. And the Board doth further direct that this recommendation shall take effect from the first day of September, 1908, and shall continue in force until the 31st day of August, 1910.

"Schedule.

• That Conductor Herdson be reinstated in his position.
• That the General Manager shall give a written guarantee that in future any employee being dismissed from the service shall be given a valid reason for his dismissal.
• That any employee being sent to the head office for an alleged fault shall see all reports made against him and have the right to call evidence on his behalf.
• That any inspector proved guilty of making mis-statements or false reports against employees shall be instantly dismissed.
• Seeing that Mr. Lysaght's questionable methods were the real cause of the strike of November, 1906, and that the recent harassing of motormen and conductors by ticket inspectors has been in obedience to his instructions, he shall be removed from direct contact with the men.
• The Board directs that the foregoing recommendations shall take effect from the first day of September, 1908, and shall continue in force until the 31st day of August, 1910.

"(Signed)  
A. McArthur,  
"CHAIRMAN."

The President went on to say as follows:—Although the evidence was necessarily very voluminous, the examination of witnesses was conducted in a friendly spirit. All the meetings of the Board both in camera and in public, have been fully attended by the members. It may be well to observe that in all matters coming before the Board the decision of the Board shall be determined by a majority of the votes of the members present, exclusive of the Chairman, except in the case of an equality of such votes, in which case the Chairman shall have the casting vote.

Two clauses contained in an amended application by the Union were objected to by the Company. The objection was upheld by me, and the Union thereupon withdrew them. The number of clauses left was six and as the parties were unable to agree upon any one of these. I in all cases called upon to exercise my casting vote. As then, it evident that I must have been the deciding element in each clause, I think it is my duty to explain my views on each clause as briefly as I can with some degree of fairness.

Clause I: "That Conductor Herdson be reinstated in his position, or given a satisfactory reason for his dismissal."

There is a direct conflict of evidence as to what took place between the inspector and the conductor. The inspector's report was taken as correct, and the conductor was not called on for his defence. In my opinion, it was a case that should have been carefully the investigated. If the inspector had been proved to be correct, adequate punishment would have had a salutary effect on those inclined to follow in the path of the offender; but the men would have felt that the culprit had not been condemned without a hearing. If the conductor's
version had been proved correct, and the inspector dealt with, confidence would have been instilled in the men. One cannot overlook the tone of the inspector's report, which stated: "I found two girls on car." As a fact, one was a married woman, and the other from 23 to 25 years old. To my mind, there was a covert insinuation in the term "two girls." The inspector found out his error, but did not think it worth while to correct it. The manager distinguishes between "to dismiss" and "to discharge," but I do not agree with him in the distinction, for reasons which I shall give presently. The award of the Court under which the parties are working at present does not use the word "discharge," but only the general word "dismiss," which, in my opinion, includes "discharge." Moreover, no reason was given for Herdson's dismissal or discharge, whichever you please to call it, until the strike was in progress. Viewing the case in the light of the evidence, Herdson was not given a satisfactory reason for his dismissal. I consider that he should have been allowed to call evidence, and that the result should have followed accordingly. It would be difficult to reopen the case now, and, all things considered, it appears to me best to reinstate Herdson, and thus restore confidence in the employees.

Clause 2: "The General Manager shall give a written guarantee that in future any employee being dismissed from the service shall be given a valid reason for his dismissal."

It has been attempted to draw a distinction between the words "dismiss" and "discharge." In general usage the terms are synonymous. In the strict sense, "dismiss" is the general term, and means "to send away"; while "discharge" is a mode of dismissal and means "to relieve of a charge or duty." "Dismiss" is applicable to persons of all grades, whilst "discharge" is for the most part confined to those in subordinate positions. "Dismiss" usually implies disgrace; "discharge" not necessarily so. To dismiss or discharge a man from a public service, whether carried on by a public body or a private company, while that service is increasing, must imply that there is some fault to be found with the man either in his conduct or in his work. Hence, in my opinion, in such a service a man dismissed or discharged is entitled to receive a valid reason for his dismissal or discharge, and the more so if he be given a week's pay in lieu of notice, as this, to my mind, implies an utter want of confidence in him. Closely allied to this subject of dismissal or discharge is that of giving what is generally called a reference or a character. It is usual for employers such as the Company in the present dispute, to ask for certificates and testimonials from those who apply for employment. This assumes on the part of the proposing employer that former employers of the applicant would, had he been satisfactory, have given him testimonials. Is it then too much to expect from them that which they expect from others? The giving a character of a servant is one of the most ordinary circumstances which a member of society is called upon to make, even in his private capacity, and it is a duty of great importance to the interests of the public, especially when the employer is in a public or semi-public position. In respect of that duty a party offends grievously against the interests of the community in giving a good character where it is not deserved, or against justice and humanity in either wrongfully refusing to give a character or in wilfully misrepresenting one to the harm of the individual.

It is clear that in the absence of any specific agreement to that effect there is no legal obligation binding a person who has retained another as a servant to give that person any character at all on dismissal, and no action will lie against him for refusing to do so. But it is equally clear that a master is under a duty, whether it be called a moral duty or a duty to society, to give a character to a discharged servant. Conscientious communications are privileged, and the privilege is not allowed only for the benefit of the giver. It is of importance to the public that characters should be readily given. The person who applies for the character, and the person who is to take him are equally benefited. There is no class to whom it is of such vital importance that characters should be freely given as honest servants. A master is amply protected in the giving of a character. He has nothing to fear if he has acted uprightly. Where a master gives a character of a servant, unless the contrary be expressly proved, it will be presumed that the character was given without malice, and the servant to support an action must prove that the character was both falsely and maliciously given. Lord Ellenborough, in Hodgson v. Scarlett (1B and A240), observed: "In the case of master and servant, the convenience of mankind requires that what is said in fair communication between man and man shall be privileged if made bona fide and without malice. If, however, the party giving the character knows what he says to be untrue, that may deprive him of the protection which the law throws around such communications."

Bullen, J., in Weatherston v. Hawkins (1 T. R. 110) said: "In actions of this kind, unless the plaintiff can prove the words to be malicious as well as false, they are not actionable."

In Rogers v. Clifton (3B and p587), Lord Alverstone, C. J., said: "If it were to be understood that whenever a master gives a bad character to a servant who has quitted his service, he may be forced by the servant in justification of such his conduct as a master to prove the particulars which he has stated respecting the servant, it would be impossible for any master (so understanding the law, at least with regard to his own safety) to give any character but the most favourable to his servant, and consequently impossible for a servant not entitled to the most favourable character to obtain any new place, Unquestionably the master who has given a had character of a servant to persons inquiring after his character is not bound to substantiate by proof what he has
said, but it is equally clear that the servant may if be can, prove the character to be false, and the question
between the master and servant will always, in such case, be, whether what the former has spoken concerning
the latter, be malicious and defamatory."

Where a master does give a discharged servant a character, he may perhaps in doing so make a statement
which the servant regards as defamatory, and uses as the foundation of an action of libel or slander. It may be
stated generally that such a statement is made without "express malice." is a privileged communication, so that
the master will not be liable to the servant in respect of it. That is to say if he should be sued by the servant he
will generally be enabled to reply upon the defence of privilege. If this defence is raised and proved, the servant
must then, in order to succeed in the action, show that the master has been guilty of express malice. Hut a
communication will not be privileged unless it is made by a person in the discharge of some public or private
duty, whether legal or moral, or in the conduct of his own affairs in matters where his interest in concerned. I
have gone some what fully into this particular branch of the dispute in reply to what was said by Mr. Walklate
in his evidence on the subject. It is not simply a matter between a private employer and his servant, It is a
matter which concerns above and beyond the master and servant, the great body of the people. The public are
those who are most intimately concerned in the matter. It is for the public good that there should be the utmost
confidence between the Company and its servants. The public safety and convenience demands that such
confidence should exist. Mr. Walklate's arguments are applicable as between an ordinary master and his
servant, but are not so in my opinion, when a public servant concerned. Again, the Company is fully protected
by the common law in the matter of dismissals, discharges, and in the giving of characters.

Relying upon the principles contained in the foregoing, I am strongly of opinion that an employee on being
dismissed from the service should be given a valid reason for his dismissal.

Clause 3: "Any employee being sent to the head office for an alleged fault shall see all reports made against
him, and have the right to call evidence on his own behalf, as inspectors' reports are often found to be
misleading, and exaggerated to suit requirements of the traffic manager."

In my opinion, if an employee is summoned to the head office for an alleged fault, he should be shown all
the reports against him. It is only bare justice that an accused person should know exactly the nature or the
accusation brought against him, and who it is that accuses him. A necessary corollary is that he should be
allowed to call evidence on his own behalf.

I consider that there should be a court of appeal, to which an employee may have recourse if not satisfied
with the decision in his case. Such court might consist of the manager of the Company, a representative of the
employees, and the Mayor of Auckland, the last-named as representing the public, who are deeply concerned in
the doings of the Company.

Clause 4: "Any inspector proved guilty of making mis-statements or false reports against employees shall
be instantly dismissed.

A request of this sort I consider requires only to be preferred in order to be agreed to. An inspector who is
proved to have acted in the manner stated is unworthy of any position of responsibility in any walk of life. He
should not, and must not, be left in a position over anyone. Mr. Walklate states candidly he has no time for any
such.

Clause 5: "Seeing that Mr. Lysaght's questionable methods were the real cause of the strike of November,
1906, and that the recent harassing of motormen and conductors by ticket inspectors has been in obedience to
his instructions, he should be removed from direct contact with the men, as the Union is of opinion that there
will be no peace or harmony in the service so long as he is retained in his present position."

The chief causes of complaint alleged against Mr. Lysaght are the following:—

• That he was the instigator of the round robin which led to the resignation of Heaney.
• That he gave instructions to inspectors to conceal or disguise themselves in order to come unawares or
unknown upon conductors or motormen.
• That he gave instructions that men who had given notice of leaving, or who had been given notice to
leave, should be specially watched.
• That he instructed inspectors to get the assistance of their friends in trapping the conductors.
• That he altered or added to the reports sent in by inspectors.
• That he should not give a fair hearing to those who were reported at the head office.
• That he stated that conductors could not be honest men and were thieves.

Mr. Lysaght gives an absolute denial to each and all of these charges, and states that whatever he did was
only acting under instructions. He states that he received the "round-robin" from the late Mr. Kidd, and acted
only under his instructions. He passed it on to Inspector McElwain, who obtained signatures, but who states
that he did not know who drew up the document. I am satisfied on the evidence of Mr. Martelli, and on the
absurdity of a manager getting up a "round robin" to be presented to himself to discharge an employee, that Mr.
Kidd was not the parent of that paper, and, further, that Mr. Lysaght, if not the parent thereof, was the moving
spirit therein. In references to charges (b), (c), and (d) there is the direct and positive evidence of Campbell. Buckley, Cox, and Hassett, and in part of Ashe and Mackay besides the indirect evidence of others. Several witnesses have sworn that they never got such instructions, but two of these are inspectors appointed at the time of the late strike, and have only had recent experience. Mills' case has special reference to charge (e). Mills asserts that he put in a second report. Rosser and Carter are sure that there was a second written report, not now produced, with additions to it in a writing not that of Mills. This is denied by Lysaght. There is, however, a type written report, signed by Lysaght containing statements said to have been made by Mills, which are denied by Mills. Mr. Hansen certain that he never saw a second written report. In other parts of the evidence there are statements as to alterations being made in reports Charge (f) is made for the most part in general terms, by a few witnesses, but few, if any, particulars are given, except by Bassett. Cox and Bassett swear positively to the last charge. In my opinion. Mr. Lysaght, perhaps from an excess of zeal in his office, or from an over-confidence in the powers he thought invested in him, issued instructions, or made suggestions and said things which, after due reflection, he has found unwarranted. I am unable to take his denial against the direct evidence of many witnesses, who I have no reason to believe are other than credible. There is without doubt a very strong current of discontent against him on the part of the employees, and I feel certain that he and they cannot work in accord. He must have been cognisant at any rate since November, 1906, of the strong feeling against him in reference to certain practices which went on under his management, It is not sufficient for him to plead ignorance of them. He should have known of them. I consider that it would be in the interests of all parties—the Company, the employees, and the public—that Mr. Lysaght should be given a position that will remove him from direct contact with the men.

Clause 6: 'That the employees of the Company shall not be asked to work with any 'blacklegs,' who went back to work during the last strike.'

There is evidently a strong feeling amongst the employees against resuming work with the two men who refused to go out. I consider that these two men were entitled to their own opinion as to striking or not, and I do not think it fair or just that they should be punished for having the courage of their opinions. I cannot, therefore, agree with the demand contained in this clause.

Interpretation Sought.

No Penalty Provided.

Mr. Rosser said he would like to ask the Board whether this judgment was to be taken in conjunction with the present award of the Arbitration Court, which would run out on November 1. "Or does it run side by side with any award in operation?" he inquired.

The Chairman:

Mr. Hansen asked me almost the same question this morning, and I said "No." The Court had its special duties to perform. This dispute has been referred to us under six heads, and we have given our answer under those heads, and, according to our conclusion, the judgment of the Court runs from September 1, 1908, to August 31, 1910.

Mr. Rosser:

I notice both parties were agreed on certain points, and I believe will honestly endeavour to carry out the provisions of the Heard's finding, but there is no mention as to any penalty if the provisions are not carried out

The Chairman:

I take no account of any penalty.

Mr. Rosser:

Then none is provided?

The Chairman:

None, except that the breaking of the agreement would be a very serious thing for either party.

Mr. Rosser:

I would like to be quite clear on all these points, and I can assure the Board that the Union feels the seriousness and the gravity of the position which we have occupied for the last six months, I wish to say that the thanks of the Union and of the community are due to the Board for the patience that it has displayed in listening to the evidence. The evidence has been complicated, and there can be no doubt that the Board had a very difficult task to disintegrate the many matters placed before it by the Union on the one side and the Company on the other. I wish to convey the Union's sense of appreciation of the attention bestowed, and the
tactfulness displayed by the Heard in this particular matter. We feel that the position is not only serious, but peculiar in that a precedent been made for all time.

MR. WALKLATE:
There are one or two points I would like to refer to. In your reading, I understood you to say the recommendation would run out on August 31, 1910. I thought it was intended that the finding should fall in automatically with the present award, and would fall in with the next award. If two years, why not for ten years?

THE CHAIRMAN:
Common sense should tell you that, Mr. Walklate.

MR. WALKLATE:
I don't know why two years should he fixed. I was under the impression it was to form part of the award.

THE CHAIRMAN:
This is Quite distinct from the Arbitration award. It would be absurd that we should go to all this trouble and it should be knocked on the head on November 1.

MR. WALKLATE:
Not necessarily: it comes under the control of the Court then, I take it.

THE CHAIRMAN:
I can only say, as I said to Mr. Rosser, you can take your own troubles as you like. There is nothing to argue about.

MR. ROSSER:
I don't see how the Heard has power to go beyond three years under the Act.

MR. WALKLATE (to the Chairman):
I thank you and the board for the very patient manner in which you have heard the evidence, and for the able way in which you have presided.

MR. ROSSER:
Regarding Herdson's reinstatement—

THE CHAIRMAN:
That will take effect at once.

MR. ROSSER said he would like also to express his appreciation of the manner in which Mr. Walklate had conducted the case. He had been fair while occupying a trying position. One pleasing feature about the whole proceedings had been that no acrimony had been imparted into the discussion.

DR. MCArTHUR, on behalf of the Board, thanked both gentlemen for their appreciation. The position was certainly an awkward one and be was certain that the four members of the Board and himself had approached it with a full sense of their responsibility, and with an open mind. The ease had been splendidly conducted. It was a matter for congratulation that the crucial points of the ease should have been approached without any bitterness or snarling at one another. "I compliment you both," said Dr. McArthur. He also paid a high compliment to the witnesses, who had given their evidence in a fair and straight forward manner.

"I trust," said the Chairman, in conclusion, "that both the Union and the Company will bury the hatchet and shake hands, and that matters will go on as if this dispute had never arisen."

[End.]

vignette

The Postulates of Socialism.
By Henry Wilson, M.A.,
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The Postulates of Socialism.

It might seem at first that there was no room or no need for another exposure of the errors of Socialism, after the admirable writings of Mr. Herbert Spencer, Mr. Auberon Herbert, Mr. Mallock, and others. But those who have engaged in controversy know how truth has to be repeated over and over again, in forms as endless as the mistakes it opposes, if it is to prevail. What is an answer to one man is no answer to another, who perhaps misses your main point altogether, and goes off on a side issue, or understands one of your terms in a totally different sense to yourself. An experienced teacher once told me that, when he had given a careful explanation of anything to a pupil, he always asked him, "Do you understand?" If the answer was "Yes," he followed it up with "What do you understand?" and, by compelling the pupil to give the explanation in his own words, he would tell if he had been understood. But you cannot do this with a controversial opponent. A heretic is like a
man on the under-side of a cloth armed with a bodkin, which he thrusts through the cloth, first in one place, then in another, while the malleus hereticorum on the upper side places his finger, armed with a thimble, to stop the passage of the point. He finds that, though he is triumphant at the place where his finger rests for the moment, the troublesome and unabashed bodkin comes up in endless places all round it. Error is like the hydra, and its heads require not only a tap with the club, but searing with a hot iron to prevent them springing up again.

The advocacy of Socialism, I admit, does honour to the hearts, if not to the heads, of its upholders. They see, as we all must, that there is much wrong and suffering in the world, and wish, as we all do, to cure it. Every instance of wrong and suffering is, taken by itself, preventable. Hence it follows that, if certain assumptions or premises are granted, a millennium or state of perfection will ensue. It is with these assumptions that I propose principally to deal. There is seldom any fault in people's reasoning, or, for the matter of that, in the reasoning of animals. Error comes in either in a false major premiss, an assumption contrary to fact, or in what logicians call "undistributed middle"—that is, using the same word in different senses in the two premises. If you grant their assumptions—which, mind you, are never stated, but only taken for granted—socialistic arguments are unanswerable.

If Socialists would take the trouble or be honest enough to write out their syllogisms in full, they could hardly deceive themselves and others as they do. Let me give an example: "State officials never make a mistake in management. We propose to turn every business into a department of the State. Therefore we should abolish mistakes in management. Errors in management are the sole cause of poverty. We should do away with errors of management. Therefore we should abolish poverty." Such is the socialistic argument. Here everyone can see that the initial assumptions, without which the conclusion falls to the ground, are absurd.

Socialists are fond of asserting that Socialism is "advancing by leaps and bounds," is "winning all along the line," and so on. There is a good deal that favours this view. Indeed, one very clever prominent politician has asserted of certain other prominent politicians that, as long as they confine themselves to a negative and purely destructive policy, they can never hope to win. In other words, that, unless they promise to bring in a Bill to make three sixpences in a shilling or something of a similar kind, they will lose the support of the working classes. It is natural that Socialism should meet with general acceptance, since it is a gospel that tells people that their want of success is due to anybody but themselves. If a man is poor or out of work, it is not because he has never taken the trouble thoroughly to master his trade; because he drinks or smokes too much; because he throws up a good berth before he has got a better; because he has driven his master's trade away by strikes. No. It is the fault of this neighbour, his employer, "Society," or "the State."

The first Socialists were Adam and Eve. Adam threw the blame on his wife, and she on the serpent. I wonder, as the critics explain the story of the Fall as a myth or allegory, that they do not point out that the serpent is an allegorical representation of "capitalism," "the present social system," or whatever they call that which is the cause of all the evil in the world. No doubt, if there had been a "State" in Eden, and the tree of knowledge of good and evil had been under the care of a State department, with a Minister at £5,000 a year, a permanent secretary at £1,500 a year, ten first-class clerks and twenty second-class clerks, with a messenger to sell them gold watch-chains on commission, the temptation would have been averted, and the history of the world would have been different.

A Socialist apostle, like an Irish Home Rule member, is a Mr. Facing-both-ways. The latter, when addressing Englishmen, says that all he asks for is the power to settle all purely local and Irish affairs in Ireland, and that he has no thought of weakening the tie which makes Ireland part of the Empire. To his own countrymen he tells a very different tale. He says that he will never rest till Ireland takes her place among the nations, and can impose her own tariffs, make her own treaties, and declare that to be lawful in Ireland which is not lawful in England. So a Labour leader tells the employer that his men will produce as much in eight hours as they did in ten. To the workmen he says that they will only produce four-fifths as much, and therefore there will be employment for so many thousands of the now unemployed. To those who have not joined a union he declares that the country is fast being ruined; that the rich are growing richer, and the poor poorer. But to the members of his union he boasts that the labourers have already secured a large slice of the property of their employers, an earnest of the whole they mean to get, and that this success is due to unions and strikes.

Now these opposite assertions cannot both be true. On the last point I look to my own experience as a University man. I know no callings in which wages have risen much more than those which are chiefly adopted by University men—curacies and teaching. Yet neither of these callings has formed a union, nor have the members of them ever struck. Domestic servants form another example. The wages of capable servants are something like double what they were fifty years ago. Yet servants are entirely unorganised, and have never had a strike. In all these cases employers found that good workmen were gradually turning to other walks in life where the conditions were better, and they had gradually to bid higher to draw them back. The change taking place gradually enabled the necessary adjustments to be made without disorganising society. It is the
suddenness of the change, more than the change itself, that is so disastrous. Any cyclist knows that if, when he comes to a steep descent, he puts on the brake gently at first and back peddals, he will reach the bottom of the hill safely. But if he starts full speed and in the middle of the hill suddenly jams the brake hard down, he will take a flying somersault over the handles, and probably break his neck. I will not assert that trade unions and strikes have no influence in raising wages, but, if I did, I should be nearer the truth than the labour leaders are, who credit them with the whole increase. Most people have so little idea of evidence that they do not see that, if a certain event happens hundreds of times after another event, that is no proof that the second named is the effect of the first, unless we can show that the second in order of time never happens when the first is absent, and the first never occurs without being followed by the second. English soldiers wear scarlet, and they are generally victorious; but even if they had never been defeated, that would not prove that a scarlet coat was the cause of victory.

A good example of the confusion of thought which lies at the base of all Socialism is furnished by one of its dogmas: "The land belongs to the people." If we asked, "What people?" the makers of the assertion would find themselves in a difficulty, for they have never thought out the matter. It reminds one of the witty saying of Mr. Barrie in one of his novels, that it is a great epoch in a young man's life when he finds that it is not women that are formidable, but a woman. Do the Socialists mean that, as in Russia, the land of the village is to be periodically divided afresh, so that the industrious and careful may lose the fruit of their labours, and the idle and improvident get a share of it. If Smith and Brown settle on a ten acre island, and each farms the half of it, and Brown imports a wife and has twenty children, is Smith to be robbed of nine-tenths of his little farm to fill the rapacious mouths—"like attic windows perpetually flying open"? In the early days of economics people were puzzled to explain how it was that, while bread was so useful and diamonds so useless, the value of the one as expressed in price was so little, and that of the other so great. The difficulty vanishes at once when we see that we do not compare "bread" and "diamonds," but a particular loaf and a particular diamond. If I lose this loaf, but by going a few yards can find a baker's shop full of other loaves, the value of that one loaf to me is very small. But to a traveller in the Sahara, with no other loaf within a thousand miles, the value of the one that he has exceeds that of all the diamonds in the world.

Socialists assert that capital robs labour of a large part of the fruits that labour has created—"exploits labours" is their phrase. The assumption underlying this is that the average profits of capitalists are very large, for, if most employers could afford to make a considerable addition to the wages of their workmen, their profits must be very great. But all those who are well informed know that the average profits of capital are not large. Thousands of masters, with all their capital, their anxiety, and working sixteen hours a day instead of eight, do not make more than one of their workmen. To compel them to pay higher wages would ruin them and throw all their workmen out of employment. It is true that some of the more successful masters might pay higher wages but the unions would soon be up in arms if wages were not the same all round. Even Professor Marshall, who is very indulgent to Socialism, tells us that, of every ten persons who start in business, nine fail in a year or two.

Therefore, for the average profits to be two per cent, the successful ones must make twenty per cent. The most successful business that I have known and dealt with nearly thirty years makes eight per cent. for every hundred pounds of capital. In that thirty years I have known many of its servants leave and set up for themselves, only to be swallowed up and disappear in a short time. What fact is more familiar, to those who walk through back streets than the constant change of name over the small shops? If what the Socialists say is true, the proof is easy. Any ten skilled workmen, by abstaining from marriage and beer for a time, could easily save enough to start for themselves, and appropriate the enormous profits that the wicked employer now so unjustly robs them of. One such object lesson would be worth all the tracts of the Fabian

The State (hateful word!) is to be the universal employer. But the State would have to use as managers the present capitalist employers, for there are no fresh officials waiting in the moon to be brought down. We see, then, that the assumption is that, if a man is a duffer or a rogue as a private employer, by turning him into a salaried State official he will become clever and honest. It is just the same with the cry of the advanced women. They say that if women were only independent—if their fathers left them a small fortune, or if they were taught some profession by which they could support themselves—there would be no unhappy marriages. These excellent creatures never stop to reflect that, if every woman had £300 a year, that would not create one more good and worthy man. There might be a little shuffling of the cards, and Seraphina Smith might carry off the model husband who now falls to the lot of Distaffina Jones; but the number of happy marriages could not be greater than the number of good men, few of whom are left unmarried now. Again I appeal to facts. There is a considerable number of women who, as singers, actresses, and so on, earn such incomes as make them independent, and give them great power of choice. It is notorious that the number of unhappy marriages among women of this class is vastly greater in proportion than it is among their less favoured or less gifted sisters.

Socialism is no new thing. In all ages, from Plato downwards, amiable enthusiasts have devised in their studies plans for magically transforming mankind—plans which, however varied the details, all agreed in this:
that the change was to be wrought by laws. Now, laws are of no use unless they are enforced. But, to be enforced, there must be men to enforce them. Then the result cannot be superior to the average intelligence and virtue of the enforcers. I know that all socialistic schemes tacitly presuppose a committee of angels to carry them out, as much superior to the governed as a clever and virtuous father is to a child two years old. But statesmen and administrators are not angels, but ordinary men, with the limitations and weaknesses of ordinary men. Those who have been at school and college with them would smile at the idea of their old school-fellows being anything but men, perhaps a trifle above the average in talent and character, who had devoted themselves to politics instead of to law, fighting, or divinity. Indeed, so far are these Ministers from attempting to force an exalted code on a submissive people that they are chiefly occupied in trying to keep their seats by voting for any measure that the more noisy and unthinking of their followers, Irish or English, thrust upon them. If one of my opponents, then, had the combined wisdom of Solon, Lycurgus, and Plato, the results of his scheme could not be better than the imperfect instruments he would have to choose to carry it out.

Mr. Giffen is quoted as reckoning the total incomes of the working classes as 500 millions, and those of the richer classes as 850 millions. It is easy to see that the assumption is that, if the latter were seized and divided among those who are called the workers, each would have double the income. But rich men do not swallow their incomes. The great bulk is paid away to others in return for various services, and appears as part of their incomes. So that the working classes already share the greater part of the incomes of the rich among them. If some of the income of the rich is spent unproductively, so is some of the income of the poor. I have seen 200,000 people on Doncaster Town Moor. Each of those had spent a shilling or two on railway fare, something on food, a good deal on drink, and perhaps something on baccarat. What a vast expenditure to earn a headache and a fit of the blues! If the Socialists wish to prevent a duke spending his money ill, why do they not also regulate the budget of a dustman? But, any way, the Socialist does not seem to realise how large a part of these great income is spent in managing and improving the estates, and how comparatively small the net income is, which the owner can spend as he will. And if one duke spends his income on baccarat, another, like the Duke of Bridgwater, spends it all in making a canal, thereby enriching the country. What tribunal is to be set up which is to be trusted to say to Duke A, "You spend your money badly, and we will take it away"; and to Duke B, "You spend your money well, and may keep it"? Or perhaps all dukes are to have their property taken away, on the ground that working men would spend it better. Experience does not confirm this view. Great numbers of workmen spend their money ill; and the higher their wages, the more wretched is their lot. I shall be told that they are improving in this respect. I gladly assent; but so are dukes. I am told that the joiner who now makes a baccarat table for a duke would, under the Socialist rule, be employed in making a better house for a working man. That is pure assumption. Many dukes now spend considerable sums in providing better houses for workmen, who do not always appreciate the sanitary appliances or take care of the fittings. It is the same old story. The Socialists contrast our present social state, composed of weak and erring mortals, with a system of their own imagining, ruled and peopled by beings with wings.

It is highly diverting to contrast the denunciation of the well-to-do classes as idlers, who prey upon the industrious, with the Socialist proposal to give everyone a pension at fifty. Now, before a man can retire he has to work hard and save money. But then, without a perfect army of spies and inspectors, it would be impossible to prevent the greatest shirker from retiring on a pension which he had never earned. Besides, if the rich took the Socialists at their word, and descended into the labour market, would they not immediately be denounced as scabs and blacklegs, beating down wages and taking the bread out of honest workmen's mouths?

Besides expediency, let us look at justice. I am told that 500 millions a year is paid in rent and interest. But those who receive this created the whole of the property in respect of which they receive it, the workmen having had their share, and often more than their share, in wages. To prove this we have only to ask why a man goes to work in a factory instead of working for himself at home. The answer, of course, is because he earns more, for no one compels him to go in. Then the extra amount that he earns above what he would make at home was created, not by himself, but by his employer; and, if the employer also earns some profit for himself, justice demands that he should keep it. And it is not even proposed that the profits of a factory should be divided among the workpeople in that factory, who, at any rate, have had something to do with creating them, but they are to go to the State, the whole nation, so that the idle and the vicious will have as much as the good. As to rent, Socialists seem not aware that thousands of tenants pay absolutely nothing for the land, what they pay being but a very small percentage on the cost of buildings, roads, fences, drains, etc., made by the landlord. As to capital, the beginnings were when a savage first made a fish-hook or an arrow-head. I have no doubt there were Socialists even then, who, when they saw a comrade so employed, lay down at their ease, saying: "Go on, Quashee, you make those hook, me use it, for capital no ought be private property."

England was long a poor country, so that, according to Professor Thorold Rogers, for two hundred years the population did not increase. At that time trade and commerce were hampered by endless socialistic and grandmotherly restrictions. Since we have shaken off these we have advanced by leaps and bounds, so that our
people and our language are rapidly covering the earth. That is because we have been free. Let us go back to the
good old times of Cobden and Bright. These men were real Liberals. They were for freedom, abolition of
restrictions, overthrow of privileges, minimum of Government interference. Every man was to be at liberty, so
long as he did not injure his neighbour, to seek his own welfare by his own means, and was to have the
enjoyment of what he created and earned. All these strikes are only diminishing the total that has to be divided
among the workmen. Every inspector's salary is provided by a tax on wages. The Socialists cry out against
middlemen; but what is their "State" but a gigantic middlemale, which, having by an army of blood suckers
collected the plunder of the industrious and thrifty, will dole out the amount, sadly diminished, among a crowd
who have abandoned their manhood and depend on anyone but themselves.

I have seen it asserted that no Socialist ever advocated strikes. I only know that many who express
sympathy with Socialism express sympathy with strikers and subscribe to strike funds, and that the leaders of
strikes justify their action on socialistic grounds. I grant that they speak of strikes as the lesser of two evils, and
that they would like to see the necessity for them done away with by legislation. The difference between these
remedies is that, while strikes do intermittent harm, legislation does permanent harm. It is not the mode of
coercion that is in fault. The wrong is in subjecting a million circumstances, every one of which is different, to
a hard-and-fast rule, and in interfering with everyone's natural right to be the judge of the hardness of his
work, of his own power to endure it, and of the question, which varies with every man and every day, whether,
at a given time, an hour's more work or an ounce less food is the greater evil. Besides, the world is built on the
system of periodicity; there are busy times, and there are slack times. "There is a tide in the affairs of men
which, taken at the flood, leads on to fortune." But all this labour legislation is directed to preventing men doing
so. It is tyranny. But such words have an unpleasant sound. The same author I have just quoted makes one of
his characters object to the use of the word "steal." He says, "Convey, the wise do call it." Just so. Do not call a
thing by its right name—"tyranny." Call it "beneficent legislation," and you will get thousands of votes.
Socialists suffer from an inability to see the essential identity of two things when disguised under different
names. They know that some of the fairest countries on earth, which once were populous, highly civilized, and
prosperous, are now thinly peopled, barbarous, and poor. What is the sole cause? It is that when one of the
inhabitants, by industry and thrift, has got a little property, the Government steps in and takes it from him. That
is just what is advocated now by those who call themselves advanced Liberals. In the one case the wrong is
done by a Pasha, and in the other by a tax-gatherer. This is merely a question of name. One of the party, more
candid than his fellows, the other day defined Government as "an instrument for taking away money from one
set of people and giving it to another set."

This tyranny will, at any rate, be impartial, and oppress both classes alike. It will forbid the man who is
young and has a family of children to work any longer than the man who is elderly and has got all his children
off his hands. So it will compel the master who makes small profits or has an inferior workman to pay the same
wages as the one who makes large profits or has a first-rate workman. So, if the prosperous man pays the same
rate of wages as the struggling man, he cannot avoid the crime of making large profits. If the struggling man pays the same rate as the prosperous man, he is ruined, and his workmen go to swell the ranks of the
unemployed. Numbers of men, willing to work, are now, I hear, forced into the workhouse, for they are no
longer worth three shillings a day, though fully worth half-a-crown. But the unions say, "Three shillings or
nothing." So the masters naturally, if forced to give young men's wages, will have young men's work; and we
have come to this : that the chief buyers of hairdye are not elderly Lotharios, but working men who conceal
their grizziling locks to give them a better chance of employment. Could the rule of Lobengula or Cetewayo be
worse than that? People complain of the power and influence exercised in Europe by the Jews on account of
their grizzling locks to give them a better chance of employment. Could the rule of Lobengula or Cetewayo be
worse than that? People complain of the power and influence exercised in Europe by the Jews on account of
their wealth. Now, a Jew is not a magnet that has the power of attracting gold. There is no source of wealth
open to Jews which is not open equally to Christians. All the millions of the Rothschilds were amassed by the
observance of two rules. Whatever income a Jew has he tries to live on the half of it, and if he cannot get a
shilling he will take sixpence rather than nothing. Yet your Socialists expect Englishmen to become rich,
individually or collectively, by pursuing the opposite tactics.

I am told that the best economists agree with Mr. Ruskin that the distress of the poor, irrespective of that
caused by sloth, minor errors, or crime, arises from competition and oppression. This is very like saying that the
mortality in battle, irrespective of that caused by bullets and bayonets, is due to sword cuts. I fancy the best
economists are not in such accord with Mr. Ruskin as is assumed, but let that pass. If Mr. Ruskin's assertion is
true, how is the capitalist to blame for competition? He does not cause it, and he cannot cure it. I was coming
out of a railway station the other day, and as I was going to call on a lady I thought I would have my boots
blackened. On searching my pockets I found I had only a penny left. I held this penny up, and immediately three
youths rushed forward to serve me. I was not to blame that there were three competing for the work of one.
What was I to do? I might pick out one, give him the job, and send the other two way disappointed. I might
take two, tell each to black one boot, and give them a halfpenny each. For this, if a Socialist had been by, I
should have had my head broken. I might have accepted the offer of one to do both for a halfpenny, and made a
ragged boy happy by buying an evening paper with the other, for which I should equally have had my head
broken as a sweater and an oppressor.

We Individualists are accused of hard-heartedness and want of feeling, because we say that failure is a
man's own fault. We have all laughed at the story of the Irishman who offered his mare for sale, warranting her
as "without fault." When a bystander pointed out that she was blind, he answered: "Oh, that's not the poor
craythur's fault; it's her misfortune." Yet, like many jests, this story contains a deep philosophy. Nature knows
absolutely no difference between misfortune and fault. If a man who can clear fifteen feet tries to jump a
twenty-foot dyke, he will fall in and be drowned, and it will not be much consolation to him or his friends to
know that it was misfortune, and not his fault. If a man does not learn his own powers and deficiencies, and the
limits of what powers he has, you may call it his fault—at any rate, he will be punished for it. Social
Democracy is founded on the assumption that all men are much of a muchness, and that, as one of my
opponents says, the art of creating and managing a huge business can be learned. So one of the Labour leaders
is credited with the remark that he had not seen a man who was worth more salary than £800 a year. This
reminds one of the man who said that he could write plays as good as Shakespeare's if he had a mind, on which
Charles Lamb, who was present, drily remarked: "So you see it is only the mind that is wanting." What is the
use of laying the blame on our "social system" if a man fails because he attempts something for which he is not
fitted? And if for hundreds of thousands of years there have been these cardinal differences between one man
and another that we see to-day, what reason can the Socialists give us for expecting in the near future to see
men more on a level? I do not call a man a failure because he remains a workman instead of rising to be an
employer. If all men were employers, where would their work-men come from? We do not call every
clergyman a failure because he does not become a bishop, nor a soldier a failure because he is not a field
marshal. The failure comes in when a man attempts something for which he is not fitted. Many men make
excellent subordinates, but poor chiefs. Every reverse the British arms have sustained has been caused by men
being promoted to command who were not fitted for it.

I am asked why I call the "State" a hateful word. I do so because the use of it is both the result and the
cause of confusion of thought—It is plain that from using the term people unconsciously look upon the State or
Government, as a power outside the population, possessing funds from which it can make gifts to the people, as
if these gifts came from the sky. Yet the State can give us nothing that it has not first taken from us, and what it
returns is always less than what it took. If the State is to educate my neighbour's child, it must first take from
me enough money to educate it, and so much more as will pay an inspector to see that it is educated, and so
much more as will pay a second inspector to see that the first does his duty, and so much more as will pay ft
clerk to keep the accounts, to say nothing of providing a room for the clerk to sit in. Let people express what
they think and want in plain English. Instead of talking of the "State" providing "Free" Libraries, let them say
honestly that they want to take away by force their neighbours' money, in order that a milliner's apprentice may
surfeit herself with trashy novels, or a grocer's boy may learn the state of the odds, so that he may be inspired to
rob his master's till. If real culture is wanted, the best and most interesting books in the English language may
now be bought for the price of a pot of beer, and no man's rise is checked by reason of the cost of books. One
Socialist says that the "State" means the Government and not the whole people. Another speaks of the State as
the "representative of the whole people." Which am I to believe?

What a universal delusion is the belief in a panacea! It staves us in the face on every wall and in every
newspaper, and the quack medicines advertised are sold by millions. Let us consider the assumption that
underlies them all. A man for forty years, let us say, violates every law of health. He eats too much, drinks too
much, smokes too much, sleeps too much, works too much. Having from these complicated causes got every
organ of his body subject to a complication of disorders, comes Mr. Bolloway or Mr. Heecham and says:
"Swallow but one box of my pills, and hey, presto! all your ailments will vanish." They "touch the spot," as if
there were only one "spot," and not a hundred. So every social and political medicine man has his pet nostrum.
With one it is free money, with another it is free land, with a third teetotalism. Introduce but this one change,
and poverty and crime will vanish. Yet success or failure in life is affected by a hundred causes:—The
constitution and tendencies a man inherits from his father; his training in youth; the pains he has taken to learn
his trade; the diligence with which he has followed it: his prudence in marriage; his thrift, and so on. Most of
these are inside the man, How can any one change, and that a change in outside circumstances,

In the case of some of these social remedies we have the means of direct proof. In respect to teetotalism we
can point to immense nations of abstainers where yet the general level of well-being is far below ours, and
extreme poverty far more common. It is true that teetotalers can insure their lives at a lower rate than others.
But their acting in any way contrary to received opinions and practices shows that they are thoughtful persons,
above the average in intelligence, and likely to order their lives generally with moderation and regularity. We
see the same in Quakers and Unitarians here, Protestants in Italy or Spain, etc. Any small body of people who
adopt unpopular tenets on conviction will surpass the average of the population in intelligence and virtue. Teetotalism is the effect, not the cause, of superiority.

Those who say that the present system requires replacing should give a glance at the system it has replaced. Let them compare Leeds with, say, Thebes in Egypt. In the latter they would see the remains of immense and magnificent buildings, so solid that they have stood for thousands of years. But they are all temples, palaces, and tombs, built for the luxury and gratification of Kings. Of the wretched mud hovels, in which the workmen who built them dwelt, not a trace remains. If we could see these workmen as they lived, we should find their sole possessions a cotton shirt and two onions. When we turn to Leeds we find the public buildings very inferior to those of Egypt, in splendour and permanence; but, on the other hand, we should see miles of streets lined with workmen's houses. We should notice their solidity, often their bright appearance—their flowers, clean steps, curtains. A glance inside would show some prints and books, perhaps a piano, and other signs of cultivation and refinement, and of a lot raised above a mere animal struggle for existence.

Yet I am told that the destitute outcasts form one-tenth of the population, and that "the general condition of the whole proletarian population is one of sickening wretchedness." How can we hope to arrive at a correct solution from such false premises? At every cricket or football match I see a crowd of many thousands. Where does the gate money come from if not from the proletariat? I see the streets filled on Sunday with workpeople—the men in decent black, the women with gloves, watches, feathers, silks, and parasols. Every man I meet is smoking. Their pleasures may not be always my pleasures, but a right-thinking mind cannot but derive great satisfaction from these general signs of well-being.

Socialists call the workmen the slaves of the capitalists. So Burns talked of the degradation of having "to ask of a fellow-man leave to toil" There is no such need. He could toil as much as he liked without asking anybody's leave. What he asks of his fellow-man is to be kept out of the other's savings for some months, till his work is ready for the market. I have been over a great clothing factory. I found that a capable woman could earn much higher wages than if she sewed by herself in a garret. This was because the head of the firm, by spending thousands of pounds in erecting a healthy and convenient building, by buying costly machinery, by bringing the workers near together so as to save time, by division of labour and skilled direction, enables each worker to produce much more. The whole of this increased turn-out is the creation of the master, representing the outlay of thousands of pounds, and years of toil and anxiety, with no Eight Hours Bill to relieve the strain the employer feels all the twenty-four hours. A considerable part of their increased production goes to the workpeople in increased wages, and yet, though they have stipulated for a certain sum to be paid punctually every week, whether the employer is making a profit or loss, they want to rob the employer of the share he takes to reward him for hard toil, long waiting, and great risk. The workman, that is, says to his employer, "Heads I win, tails you lose."

Someone tells me that organising power is as easily learned as carpentry. Does he not know that one waggoner or coachman, with the same training, will get twice as much work out of a team of horses as another, and yet keep them in better condition? That one colonel will have his regiment in perfect order, ready to follow him anywhere, and another will come after him, and, without apparent cause, in a few weeks have the men almost mutinous? That, of two masters turned out of the same training-college, one will keep a class of a hundred hanging on his lips by the hour and remembering everything he teaches, and the other cannot prevent the attention of a class of ten from wandering?

It is amusing to hear that capitalism has depopulated Ireland. The great want of that country is more capital. So, in Egypt and other great empires of antiquity, the accumulation of capital in private hands, and its application to the creation of wealth, were checked by violence and insecurity. The State there, like the proposed Socialist State, had immense wealth; but it spent it, not in creating more wealth, but in unproductive buildings. It is for Socialists to explain why their State will be different from all the States that have preceded it. The Socialist State would be a great slave-owner, supplying the direction and foresight, while the people, like slaves, ate and drank, lived for the day, and looked to the "State" to dry-nurse them.

The state of ancient Egypt was more socialistic than capitalistic. I am asked how that can be, when the fundamental idea of Socialism is that every man shall receive the full produce of his labour. I answer that I have nothing to do with ideas. Ideas are cheap enough; they are like professions. I do not care what a man's ideas or professions are, be he Socialist or professing saint. I look to his actions, and the necessary result of those actions. A Socialist cries that I shall be saying next that American slavery and Russian serfdom are socialistic! He is quite right. I do say so. Most people seem quite incapable of picking out the essential features of anything, and fix their attention on some casual or accidental point. From some memories of "Uncle Tom's Cabin," they fancy that every slave-owner is a Legree. Yet, if they had studied Mrs. Stowe's tale, they would remember that Legree was quite an exception, and that the majority of slave-owners were kindly, and domestic slaves, at any rate, had an easy time. It is not being flogged that makes a man a slave, but putting off responsibility on to other shoulders than your own. What was the condition of the great bulk of the slaves?
They were in a state of equality—no wicked millionaires or wretched paupers among them; had plenty of food and clothing; were cared for in sickness and old age; and had no anxiety. That exactly realises the Socialist ideal.

I have before me a list of the principal aims and objects of Socialism. Some of these are ends, and some are means to those ends. Some of these ends I should be equally glad to see realised; but it is the means that I object to, as sure to bring about results very different from those desired. I should like a Socialist to sit down and draw up a scheme of his expenditure under a socialistic system. Let him put on one side his income, and on the other the various sums he expends for the comfort and welfare of his wife and children. He would probably not wish to diminish many of these, and, if he is like most of us, there would not be a large surplus left. But if there is any, let him put against it the various items which the Socialist State would add to his expenses. Thus, under the head of "Compulsory construction of healthy dwellings," there would be: "Item, to building my neighbour a healthy dwellings," so much." "Item, to replacing the gas and water pipes, which my neighbour tore up and sold, so much." Or else: "Item, to paying an inspector to go round and see that my neighbour does not sell his piping, so much." Under the head of "Pensions" would be: "Item, to pension for my neighbour, who spent his time in rabbit coursing while I had to work hard, so much." Or else: "Item, to an inspector to see that my neighbour does not shirk his work, so much." "Item, to keeping my neighbour, who threw up a good post because he did not like the colour of his employer's whiskers, so much." And so on to the end of the chapter. How much would be left, for these would be first charges on the income? If people would only realise that, when they talk of the State doing this and that, it means that they themselves will have to find the money, and additional money to keep the officials who control the laying out of the money!

If men are improvident and idle now when they suffer for it, are they likely to be better when they are sure of a pension at fifty? I am told that, as under the Apostles, so under Socialism, if a man will not work, neither shall he eat. That is excellent on paper, or when you have Apostles to see to it; yet, however well things may have gone in their presence, we know from their letters that all sorts of abuses crept in the moment their back was turned. When a man has left his native village, how are you to find out whether he has been industrious or idle when he comes back and claims his pension?

I am told that landlordism is one of the great causes of distress. Then let the man who thinks so go to Canada. There he will have 160 acres of land free from the landlord and the capitalist. He will have enough to eat and drink in a rough way; will wake up in the morning and find a foot of snow on the counterpane; and will have to turn out at daylight and plough, while his wife leads the horses with one hand and holds the baby with the other. If he prefers such a state of things to his present lot, by all means let him go. I am simply preaching obedience to the laws of nature. I did not make the world; and if I, or even one of my Socialist opponents, had been consulted at the making, possibly we should not have bettered it. I am asked when the capitalists made the land or the minerals. A piece of land, undrained, unfenced, unmanured, with no road to it or buildings on it, is unmade; it is worth little. Coal is practically nonexistent till the capitalist spends £100,000 or so in sinking a shaft and putting in machinery. A man cannot go to a farm in Canada unless he is a capitalist, and has money to pay his passage and buy tools, and feed himself till his crop is reaped. Our ancestors could not have come to this country unless they had been capitalists, and had ships and weapons and stores of food.

It is highly amusing to hear Socialists declaim against the tyranny of capital, the evils of large fortunes, and the danger of concentrating so much power in the hands of a few, while they propose to concentrate a hundred times as much power in the hands of a few; for every State must be worked by a few, and they have never disclosed to us the machinery which is to prevent unscrupulous and self-seeking men from working to the top of the Socialist State, as they do in other States. The great difficulty is to get people to take any interest in the affairs of their country or city. They will not do the work themselves, and, if they appoint a servant to do the work for them, they are too lazy to look after him, and see that he does not cheat them. All new systems begin well; but, when the altruists get tired and neglectful, then the egoists see their opportunity, step in, and feather their own nests. Among absolute rulers of old some were philanthropic and with great ideas of regenerating mankind; but as, the more energetic and paternal they were, the more helpless babies they made their subjects, just as a Socialist State would do, when the good king died the country went to pieces. We are told that the possession of great and irresponsible power, such as wealth gives, has a natural tendency to harden the heart and make its possessor indifferent to the welfare of his fellows. Well! The State, on which Socialists would confer such immense power, would, after all, be a man. Whether his name is Archibald Primrose or John Smith makes no matter, and his heart would be just as hard if he were John Smith the State as if he were John Smith the capitalist All power may be misused, and has the possibility of danger in it Is it, therefore, to be taken away? Talent and eloquence have immense power—far more than riches. Would the Socialists hang Mr. Gladstone? Great bodily strength like Sandow's—
Oh! it is excellent
To have a giant's strength; but it is tyrannous
To use it like a giant.

Will they hang every man who can lift half a ton? Some men have an extraordinary power in attracting the love of women. This is sometimes misused. Is, therefore, every man of whom more than six women speak well to be ordered to execution? We come round to the old point—Socialism is tyranny. Of old not only the possession of wealth or talent, but even of great virtue, gave a man power; and he was therefore marked out for death, as dangerous to the Government.

Common sense tells us, and all experience tells us, that, so long as men are free, some men will commit mistakes or errors for which somebody must suffer. This would be the case even in a Socialist community. The only question, then, is, Who is to suffer? Individualism says, "Let the one in fault suffer." Socialism says, "Let his innocent neighbours suffer." Horace, whose small works contain more wisdom than almost all the other Latin writers together, furnishes us with an apt quotation on this, as he does on nearly every social and economic question. Speaking of the Trojan war, he says:—

Quicquid delirant reges, plectuntur Achivi,

which may be freely rendered: "Whatever folly the chiefs commit, it is the rank and file who have to pay the piper." Another instance of the similarity of ancient tyranny to modern Socialism. I am not saying a word against the moral duty which lies on us all to help our neighbours over the stile.

Some people speak of Individualism as if it meant selfishness—everyone striving for his individual advantage, regardless of his neighbour's. Of course, this is not so. What we object to is not charity, but compulsory charity, which may be, and always is, counted on beforehand and discounted. In considering the limits of State action we have always to keep in view the indirect effect of any measure. Mr. Mallock says that it is socialistic to keep up a highway at the public expense. But the reason we do so is that it costs far less in money, and in time and trouble, which are money, to levy the cost as a tax than a toll. Moreover, when a man is reflecting whether he can afford to get married, the scale would never be turned in the slightest degree by the consideration that the road he walked on is paid for by the community. But if he knew that his children, when they came, would get free education, free boots, or free breakfasts, it would be a strong inducement to him to chance it. There is, therefore, a broad toe of demarcation between acts that are merely division of labour—the nation its corporate capacity, saving the time of individuals, which would be wasted if each did that which is better done collectively—and acts which either interfere with the individual's rightful freedom, or foster improvidence, by throwing on the thrifty the burdens of the thriftless.

**Contents**

**Chapter I.**

**Foreword.**

Democracy is with us, and has become synonymous with rest-less political activity. The problem of problems is how to direct that activity along right lines. In all spheres of effort there is a great deal of wasted and misdirected energy, but especially is this characteristic of that sphere in which men are working to ameliorate the conditions of society. There are a thousand and one remedies proposed and earnestly advocated for all our social ills. Each remedy has its army of followers, who throw the strength of their mind and heart into its advancement. Yet these alleged panaceas are, in many cases, contradictory one of another. As a
consequence, many earnest men and women are employing their faculties to no purpose. We all admire the man whose warmth of conviction in say cause leads to a consecration of life to that cause. It betokens a thoroughness of character which challenges respect and even homage. "Yet it is probable that the world suffers more from sincere error than from perversions of self-interest. Let this truth never be forgotten: a man may be the sincere, unsuspecting servant of error all his days, and error cannot endure. Truth alone holds the principle of everlasting life. From the foundation of the earth the fiat went forth that bankruptcy shall sweep down every lie and error sooner or later. He who builds on false theories builds on sand. It is therefore with painful emotions one observes the infatuations of social reformers. To spend a life in weaving ropes of sand is galling.

The writer has been induced to write the following few chapters because of the belief strong with him that the labouring class is wasting its substance and energy in the pursuit of reforms which, when grasped in the practical hand of experience, will be found to be bubbles filled with air. His sympathies are deep with the toilers of our cities. Dearly would he love to see the conditions of society such that the man who did not work should not eat. He abhors your class distinctions, and protests against the honour society pours upon its idlers. Labour, common and horny-handed, still lacks the homage winch is its right. The Grecian and Roman philosophies have left an aftermath of contempt for those who toil, and honour for those who appropriate the fruits of toil. We British folk still love a lord, though his function in life be simply that of "eating sumptuously dressing gracefully." With this superstitious reverence no thoughtful man can have any tolerance. And no wonder the leaders of Labour are in insurrection against it. No wonder they insist clamantly on the rights and all-worthiness of Labour. The working classes so-called smart under the poignant memory of a past, replete with oppression and spoliation. The freedom and modicum of justice they now enjoy has been purchased at the cost of much effort and blood. The foundations of society have been upheaved many and many a time. Britain, America, France have travailed in the great agony of revolution. In each case a mighty man-child of Liberty has been born to grow into strength and dominion. But in each case much loss and suffering was occasioned needlessly through misdirection of effort and impelled grasp of the means to ideals. What horror of great darkness there was in the French RevolutioN. Yet the ideals with which the movement set out were grand and unimpeachable. The supreme folly lie in the belief that only through social dissolution could come social renovation. That society required re-organising laws recasting on new principles, there could be no manner of doubt. But improvement lies along other roads than that of a weltering chaos. To establish justice in the relations of men, it is never necessary, and seldom wise, to snap all the bands which unite to the past, to scorn tradition, and indiscriminately play the iconoclast. The institutions of the present are the natural outcome of the social evolutionary process. They may, it is true, ham survived the reasons which gave them birth; hut in most cases continuity of existence argues some good, some power to meet the needs of the time.

Some insistence requires to be placed on the solid value of the principle of conservatism in this age of political ferment and unrest. As Burke says: "Men are not qualified to look forward to posterity who never look backward to their ancestors." The atmosphere is charged with storm. Around us whirl racing floods. A stable hand is needed to navigate them. No vision of a social millennium can be trustworthy which is not opened out by a reforming zeal chastened by a firm grasp of the lessons of history. The counsels of experience and economic history must be invoked in all departures from beaten tracks. In dealing with the problems of the day we seem to he in danger of falling into one of two opposite errors—too great or too slight a respect for existing institutions. The wealthy and contented tend to fall into the former error, the labouring poor into the latter. As a consequence we have on the one hand a senseless obduracy to reform, on the other a, precipitancy, an inappreciation of consequences which truly alarming. Demos gropes and wrestles like a blind giant With a foresight often that reaches no further than his own nose, he decides what must in its consequences reach to the world’s end. He is peculiarly susceptible to the empire of economic fallacies. With little to hazard, he manifests an amazing intrepidity in attacking social difficulties. The light that is in him being dim and tallowy, he often gets on to the wrong track, takes false steps, and strikes indiscriminately the good and evil. Consequence, many earnest men and women are employing their faculties to no purpose. We all admire the man whose warmth of conviction in say cause leads to a consecration of life to that cause. It betokens a thoroughness of character which challenges respect and even homage. "Yet it is probable that the world suffers more from sincere error than from perversions of self-interest. Let this truth never be forgotten: a man may be the sincere, unsuspecting servant of error all his days, and error cannot endure. Truth alone holds the principle of everlasting life. From the foundation of the earth the fiat went forth that bankruptcy shall sweep down every lie and error sooner or later. He who builds on false theories builds on sand. It is therefore with painful emotions one observes the infatuations of social reformers. To spend a life in weaving ropes of sand is galling.

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Unfortunately little guidance can be obtained from politicians. Their interest to warp the judgment and inflame the passions of men is a temptation hard for human flesh to resist. This is rendered doubly unfortunate from the fact that the mass of the people derive their knowledge of economic principles from the hustings and the stormy arena of parliamentary debates. The shiftiness of the politician has become proverbial. His close dependence on the popular will makes unswerving adherence to principle difficult except in men of rare strength. Often he is but a self-seeker with his ambition thinly varnished over with zeal. The temptations to
temporise and skirt round a problem are the peculiar besetments of those who govern in the practical affairs of State and render them unsteady and untrustworthy lights of guidance. There is a danger, specially marked in politics, of speech and silence being set to the sympathies of one's own little public, like the words of a song to music. One who has felt the power of these temptations will, without hesitation, recognise the urgency of appealing to other leadership than that of the man pressed from all points to accommodate his opinions to those of the majority. There is an ever-growing need of an economic literature which shall instruct in first principles while avoiding the technical difficulties and terms of the schools. There is likewise an ever-growing appetite for books of small compass which shall apply first principles to those involved problems of society which confront our generation.

Political Economy, we are told, is the science and analysis of what is, not of what ought to be. But the generality of men invest the science with a more extended scope, and demand, with reason, the answer of Political Economy to the multitude of reforms that are clamouring for acceptance. Many of these proposed reforms are based on fallacies obvious to the slightest investigation. This little hook aims at a popular statement of fundamental principles, so that he who runs may read. By the light of these principles it hopes to reveal the essential illusoriness of many theories accredited by large bodies of public opinion. That done, it indicates, though with diffidence, the lines upon which true and lasting reform must run.

Chapter II.

The Problem.

The present age is marked by extreme social inequalities. A square mile in a modern city will hold many plutocrats and thousands of proletariats. The distinctive feature of the time is the persistence of poverty in its most appalling aspects amid the rapid growth of wealth.

Former ages, it is true, have been worse than ours in the prevalence and depth of poverty. The lot of the common people to-day is better than it has ever been. The statistics of trustworthy investigators establish this point beyond question. The movement towards amelioration of social conditions never halts, although its progress for the most part is wofully slow. Giffen and other statisticians save their readers from pessimism. In Gregory King's time one in ten of the population of England was in receipt of alms, while now the proportion is only one in thirty. In 1688, 74 per cent, of the population belonged to the working class, and obtained 26 per cent, of the products of industry; in 1867 the figures were 80 per cent, and 40 per cent, respectively Mulhall estimates that the navvy earned £30 a year in 1890, as against £12 in 1800, while bread was twice as dear at the beginning of the century as at the end. The tendency throughout has been upward and onward. There have been temporary set backs, but then the law of advancement is ever that of the incoming tide, each successive flow reaching farther than its predecessor, and each successive ebb stopping short of its former backward mark.

What amazes one, however, is the sluggishness of the movement. We feel we have a right to expect a higher speed of improvement. "Fifty years ago," one writer has pointed out, "the tide of human progress was in full flow, and a breath of passionate hope was passing through all Europe. Italy was feeling her way to deliverance. America was emerging like a giant from the sea; Germany collecting her energies for a tremendous struggle. Tennyson was writing his first Locksley Hall."

"Men my brothers, men the workers, ever reaping something new; That which they have done but earnest of the things that they shall do:
   For I dipt into the future, far as human eye could see.
   Saw the Vision of the world, and all the wonder that would be."

Men saw visions and dreamed dreams. A buoyant hope impassioned the hearts of men in that period, when the railway and steamship were making all nations neighbors, and the long dormant energies of nature were being awakened to stupendous activity in man's behalf. Education has since poured its strength into the minds of the poorest. The light of popular knowledge has risen upon the darkness of ignorance and error. The citadels of injustice, prejudice, and prerogative have been stoutly assailed. The world, especially the English-speaking world, has witnessed during the past half-century a movement akin to that of the Renascence or Revival of Letters in the 16th century. That ancient revival touched only the upper classes; this latter one has awakened into activity the somnolent brain of the common laboring.

Yet what are the results of popular education? It has increased the industrial efficiency of the worker. It has widened his outlook. But its effect on reducing social inequalities is scarcely perceptible. The progressive march of invention, the more alert intelligence, has multiplied beyond calculation the productive capacity of the
nations. The wealth per capita has been immeasurably augmented. A machine will do in an hour what a dozen men could not do formerly in a year. The amazing improvements in transportation have annihilated distance, brought the grain fields of the remote comers of the earth to the gates of ancient cities, and removed the possibility of famine in a civilised country. Into a city like London there streams daily tributary produce from all lands and climes. The industrial organism, though infinitely complex, is so nicely adjusted by trade that abundance in, one country runs as naturally to wants in another as water to lower levels. Where, however, is the corresponding gain to the masses? The destitute are still with us, and as this chapter is penned, the British House of Commons is discussing a Bill to provide for the adequate nourishment of imperfectly developed school children. There is enough productive energy in the world to furnish wholesome food, warm clothing, and good shelter to all its inhabitants. Whilst this fact stands indubitable, hundreds of thousands in Britain are yearly in receipt of poor relief. Trade Unionism has flourished for many decades. It has opposed a collective body of workers to the employers in bargaining for a share of the national product. It has secured legislation against child-labor, against insanitary conditions of employment, and against the exhaustion; on which follows toil for an excessive number of hours per day. Many other ameliorations lie to its credit. Yet Dives grows richer and Lazarus still begs at his gate.

Let there be no misunderstanding. Amendment has been effected. Wages have increased, and that substantially. Mr A. L. Bowley, in a paper on "Wages: in the United Kingdom in the 19th Century," says: "In 1891 a million men, women, and children earned, per head, 40 per cent, more in actual coin and 92 percent more in real wages (if the purchasing power of money is allowed for) than their million predecessors in the same trades in 1860." There is no reason to doubt the accuracy of Mr Bowley's statement. Nevertheless, in the cities of Great Britain, one in every three persons lives below the line of subsistence which must be reached to secure the highest industrial efficiency.

The condition of destitution to which a large proportion of our fellow beings in all thickly populated countries is reduced is enough to rend one's heart strings.

Godard, in his work "Poverty, its Genesis and Exodus," affirms that in England, although relatively the number of the poor is some-what less to-day than it was, the annual wealth produced is nearly double what it was three generations ago, and "never in the whole history of England, except during the disastrous period at the beginning of the century, has the absolute number of the very poor been so great as it is now." The same writer, after mentioning that Giffen in 1886 estimated the total income of the United Kingdom at £1,270,000,000, estimated the income for 1891 at £1,350,000,000, which worked out at about £175 a year for each family of five. Thirty millions of people, dependant on the wage earners, obtain, he says, £500,000,000 only, the remaining eight million receive £850,000,000. The average annual income of the one class is less than £17 per head, that of the other class £106 This shows a striking inequality in the distribution of wealth.

The statistics of pauperism are still more distressing. Mr Kellogg, Secretary of the New York Charity Organisation Society and Professor Ely both estimate the total number of paupers in the United States in 1890 at 3,000,000. Over 10 per cent of the people of Buffalo received alms in 1876. This estimate included only the recipients of public charity. No account was taken of those who received alms privately "The States Charities Record," organ of the States Charities Association of New York states that during 1888 nearly half a million people received public aid, which would give at the same ratio for the entire country over 5,000,000 paupers. This estimate for the State of New York did not include the inmates of goals, workhouses etc. It was computed that at least 750,000 people in New York state were being supported in some measure by private or public charity.

Unfortunately, the writer has been unable to obtain more recent statistics for the United States. But it would appear that to speak of the "submerged tenth" is far from an exaggeration in a country of such vast territory and inexhaustible resources as America.

Professor Ely has attempted a calculation of the direct and indirect cost of pauperism. The direct public outlay Per year he estimates at £5,000,000. This he considers a low estimate, as New York State alone expends, through its various charitable institutions over £2,600,000. Placing the average number of persons in the country supported by charity at 5,000,000, and estimating the loss of productive power for each at £20 a year, he arrives at an indirect loss to the nation of £10,000,000. This has to be added on to the direct expenditure. Concluding, he says that £20,000,000 a year must be regarded as a conservative estimate of the total direct and indirect pecuniary loss of the country arising from pauperism.

The mere statement of these figures shows that the problem of poverty has claims upon the attention of the economist as well as upon the sympathy of the philanthropist. Pauperiaccute;sm is a costly evil.

The condition of the people in Great Britain is still more appalling. Giffen, in his "Essays on Finance," talks of the "class of 5,000,000 whose existence is a stain on our civilisation." It is the lot of at least one in five of manual labourers to belong to this class, and the lot of sixteen in one hundred of the whole population. The number of actual paupers in 1906 was 926,741 in England and Wales. 111,405 in Scotland, and 104,362 in
Ireland, making a total of 1,142,508. Of these a large proportion were able-bodied. When Charles Booth wrote "Labour and Life of the People of London." the population of the city numbered about four millions. He found that of this number 30 per cent., or 1,292,737 persons, were living below the "poverty line," and earning not more than £1 1s weekly per family. In addition there were 99,830 inmates of workhouses, hospitals, prisons, etc., bringing up the total of the poor and unfortunate to nearly 1,400,000 and this out of a population of 4,000,000. At the present time it is calculated that one in every five in London will die in the workhouse, hospital, or lunatic asylum. In 1892, out of 86,833 deaths in that city, 48,061 were of persons twenty years of age and over; and of these 12,713 died in workhouses, 7,707 in hospitals, and 411 in lunatic asylums. In all 20,831 persons died in public institutions. In 1887, 20.7 per cent, died in such institutions; in 1888, 22.2 per cent.; in 1891, 24.2 per cent.; in 1892, 23.9 per cent. Considering that comparatively few of the inmates are children, it is probable that one in three of the adult population of London will be driven into these refuges to die, and the proportion in the case of the manual laboring class must be greater.

The cost to Great Britain is enormous. The amounts distributed by public institutions for the relief of the poor in the years 1901 to 1905 inclusive are shown in the following table:— In addition, says Mr Mulhall in his "Dictionary of Statistics," various charitable associations, independent of public control, spend £10,000,000 annually, and the charity of individuals is known to be enormous.

So far as can be discovered, no estimate has been made of the indirect loss, but adopting Professor Ely's basis of calculation it is at least twice as great as the direct loss. Pauperism, then costs Great Britain directly through actual expenditure, and indirectly through loss of productive power, considerably over £40,000,000 a year. Surely here is a problem of waste sufficient to arrest the attention of statesmen and economists! Surely here is a problem of misery, pain, and degradation enough to stir the sluggishness of our apathy into frenzy of reforming zeal! In the presence of the suffering which these figures spell cut, we cannot look on with quiet pulse; we cannot stifle the instincts of humanitarianism; we cannot dungeon up our hearts from sympathy. From many an earnest man the appalling spectacle has wrong the wail of despair. Says Professor Huxley: "I do not hesitate to express the opinion that if there is no hope of a large improvement of the condition of the greater part of the human family; if it is true that the increase of knowledge, the winning of a greater dominion over nature which is its consequence, and the wealth which follows upon that dominion, are to make no difference in the extent and the intensity of want with its concomitant physical and moral degradation amongst the masses of the people. I should hail the advent of some kindly comet which would sweep the whole affair away as a desirable consummation." "What profit it" Huxley further asks, "to the human Prometheus that he has stolen the fire of heaven to be his servant and that the spirits of the earth and the air obey him, if the vulture of pauperism eternally to tear his very vitals and keep him on the brink of destruction?" No more need be said to justify inquiry into the nature of poverty, its cause, and its cure.

The conditions of life to the Australasian Colonies do not exhibit these distressing features in such accentuated form. Nevertheless, it is noticeable that as population advances these inequalities manifest themselves in greater and greater degree. There is more poverty in Britain than in America, in America than in Australia, in Australia than in New Zealand. Some mysterious connection exists between density of population and poverty—nay, more paradoxical as it may seem, poverty seems to increase with wealth. The wealth of Britain per capita is greater than that of New Zealand. Give New Zealand forty million people, and what assurance has it that its social condition would not be as grave as that of Britain? It is generally re-cognised that the causes which produce inequalities in older countries operate in younger countries. The difference is simply one of degree, which tends to vanish as the younger countries approach the older ones in wealth and population.

It behooves those countries and colonies, therefore, that stand at the beginning of their history, to look searchingly upon older nations and to follow carefully social phenomena back to their causes. To avoid the same grievous results we must destroy the cause; to destroy the cause we must know what it is, and understand its nature.

What, then, is the meaning of the persistence of poverty with expanding capacity for production? Something is seriously amiss. Is it lack of thrift? Is it moral weakness? Is it want of qualities of stable character amongst the masses of men? Is it the operation of unjust economic laws? Is it the absence of equality of opportunity in the rivalry of life? It will appear as the argument proceeds that there are many causes, both moral and economic, each contributing its effect. The more conspicuous of them which are amenable to immediate redress, must, however, chiefly occupy us with a view to the maximum amelioration in this our own day. We are not so much concerned with the ideal state of the far-distant future, as with the prospect of substantial and lasting improvement of social and economic conditions for the benefit of this generation and the next.

Attention must first be withdrawn from alleged remedies which carry in them no power of relief. The next best thing to finding out what is right is finding out what is wrong. This process of inquiry will be adopted in these pages. An attempt will be made to expose the fallacies inherent in many articles of the popular political faith. That done, energy will be released and the ground cleared for the treatment of remedies which it is
submitted will be efficacious. The need of the time is clear vision, not to comprehend the ultimate destiny of mankind, but to see distinctly firm ground upon which the next few strides of progress may be taken. We want, to move in the right direction and avoid the necessity of any retracing of steps.

As to the spirit in which the inquiry is conducted it is best expressed in the words of Lecky: "We must be prepared to follow the light of evidence even to the most unwelcome conclusions, to labor earnestly to emancipate the mind from early prejudices, to resist the current of the desires and the refractory influence of self-interest, to proportion conviction to evidence, and not to introduce the bias of affection into the inquiries of reason."

The writer holds no brief for any class or interest. He is deeply sensible of the inequalities which mark our social conditions, and is warm with the conviction that they are susceptible of redress.

Chapter III.

Regulation of the Conditions of Labor.

So long as the inequalities of society exist, and indolence is seen in luxury and industry in poverty, men will pin their faith to some proposed remedy. There is inherent in human nature the belief that right is stronger than wrong. Optimism is strong with us after all. That the primeval laws by which this world was set in motion are necessarily productive of undeserved suffering we cannot believe. The beneficent Creator did not preordain conditions of life under which many who toil not nor spin are arrayed like Solomon, and millions, who live laborious days, produce riches they are not permitted to enjoy. These evils under which communities suffer must be due to the perversion of natural laws, the violation of the eternal principles of right, and the fervid words of Moses, addressed to the rebellious Israelites, ring through this generation:—

"Thou shalt carry much seed into the field, and shall gather but little in.
"Thou shalt plant vineyards and dress them, but shall neither drink of the wine nor gather the grapes.
"Thou shalt have olive trees throughout all thy coasts, but thou shalt not anoint thyself with the oil."

At some point the laws of God are outraged, otherwise he who kept the fig tree would eat the fruit thereof, and he who sowed would reap.

That the wrongs of man are susceptible of redress, that bankruptcy must sooner or later sweep down the evil institution or practice, is the confident conviction of the generality of men. Our nature will not permit us to escape the conviction that the leaden weight of constraining circumstances which flattens down the life of the masses will ultimately be lifted. Deeply sensible of injustice somewhere, the unthinking multitude of men are, however, too ready to seize on any proposal which holds out the slenderest of promises of relief. One of these proposals undertakes to cure the defects of the industrial organisation by strict regulations of hours of work, or wages and general conditions of employment. To the futility of such a measure attention must now be addressed. Before attempting to criticise, however, let the due meed of appreciation be offered.

The Factory Acts and other kindred statutes make a chapter of throbbing interest in the history of the betterment of the working classes. They have saved much childhood from being broken on the wheel of labour. The honors of child labour half a century ago were appalling beyond measure. These Acts have thrown a protecting arm round women, condemned by the misfortune of their lot to earn their daily bread. They have insisted upon sanitary surroundings. They have relieved the strain of excessive toil by reducing the hours of work per day. In some countries, indeed the eight-hours' day has been realised; in others various approximations to it have been reached-The truth is now being borne in upon us that the shorter day gives increased efficiency and increased productivity. The last hours of a long day exhaust the worker, leave him limp and sapless; the night's repose is not sufficient for recuperation: he returns to his work in the morning dispirited and but partially renewed in strength. Consequently his work suffers. The evils of such exhausting toil are cumulative, and the worker at middle life is cast aside to make room for the young man whose natural vigour is unexploited. The fountain of his energy drawn dry the older man, toil-worn and inert passes into the workhouse. Such has been the story of countless thousands of industrial slaves.

A digression here is not unbefitting to remark upon the opposition of interest so often obvious between the employer and the State. There are advocates of the doctrine of laissez-faire who smugly assert that the interest of the employer is coincident in the last resort with that of the State. To augment the wealth of a country is to benefit the people, and we are told that the employer, whose energy and enterprise are directed to increasing his riches, thereby renders the greatest service to the State. The experience of the most casual observer will enable him to confute such a proposition. Not at one, but at a score of points, the antagonism of employer and State
can be marked. It is the interest of the State that each citizen shall expend his productive energy with such liberality as shall secure for him the greatest sum of products and satisfaction. It wants each man to exert himself to the utmost in the field of industry. The more riches his muscles and brain compass the better. A community prospers on strenuous toil, not idleness. But in measuring the result of a man's labour the State takes as the unit of time the man's lifetime. Taking the life of each man as a whole, the State want, to attain the utmost reach of productiveness. The life should be so ordered that, at the end, the accumulated fruits of the whole life's industry shall be the largest sum possible. To wear a man's fibres through, to burn his energy out, in a few years' intense unremitting toil is to sacrifice the future on the altar of the present. Better fifty years' steady industry than ten years' fierce expenditure of energy. To pour out the life's vigor in fifteen or twenty years does not yield as large results as when, in husbanding the energy, the life's working year are extended in to old age.

The self-interest of the employer dictates otherwise. More profitable to him ten crowded years of fierce, unrelaxed toil, with the human frame straining like an engine under the pressure of full steam than fifty years of labour at a slower, less exhausting pace. It matters not to him if the human machine breaks under the burden; others are waiting for the place with natural powers unimpaired. From the mercenary view-point of profit, it pays to suck the energy from the worker quickly and replace him with a young man full of sap. No obligation is cast upon the employer to care for the man he has wasted. The burden of his maintenance in his premature decline falls upon the State-supported institutions of charity.

Thus arises the urgency and justification of Governmental interference. Labour, the conditions and time of its exertion, must be regulated to prevent this sacrifice of the permanent interests of the future to the greed of the employer. The path of industrial progress is strewn with the wreck of men, struck down, midway on life's journey, by the relentless hand of soulless industry. But what concerns us here is not the base inhumanity of it. We are not concerned in this place with ethical considerations. It is the economic waste which challenges our attention. It is this which appals. All honor then to Trades Unionism, which, standing on the rights of man demanded that this waste should be stopped. The well-being of a people, the wealth of a country, require the regulation of industry with a view to preventing wasteful or uneconomical employment of human energy.

Not only has State interference on behalf of the workers been justified in the past, but the duty is incumbent upon Governments of still further interfere, ee, at any rate in Europe. A few years ago, the writer stayed a week in a manufacturing village of Yorkshire. It was winter, and at the dark cold hour of six he was awakened every morning by the multitudinous clatter of clogs on the stone pavement. Hundreds of women and girls were making their way to the woollen mills to work for ten hours at the loom. Many of them were married, with families. They left their babies at dark, and returned to them at dark. Can' stalwart men be nourished and built by mothers whose best energy is devoted to making cloth? The nation cannot afford to allow its womanhood to neglect the making of men for the making of anything material. The women of a country should not work for wages; they should be in the home child-bearing and manufacturing character in their children. Britain to-day is neglecting her soils for the sake of victory in the world's markets. But nowhere is the juggernaut of modern industrialism with its panting passion for profit's at any cost, crushing out move lives than in the United States of America. The middle-aged man is the old man, the race of life is so fast Industrial supremacy, purchased at this, price, is too costly, and cannot be maintained. A nation cannot continue to flourish by eating up its own children. Yes, there is abundant ground for Government activity in the regulation of industry.

In New Zealand, State interference in the control of industry has gone further than in any other country. The outstanding feature of her advanced legislation is the Arbitration Act. This Act, which has been in force for fifteen years, sets up a Court of Arbitration where all disputes between Trade Unions and Employers are settled. A recent amendment to the Act has made strikes or lock-outs illegal. Thus arbitration in the settlement of disputes is compulsory. Much controversy has raged round this Act. The effects of its operations have been the subject of bitter partizanship. Many allege, and with considerable weight of supporting fact, that the characteristic effect has been the multiplication, not the settlement, of disputes. Undoubtedly, the ease with which the Court can be approached has induced unions to bring the smallest grievances to it for arbitration—grievances which under no circumstances would have led to a strike. Practically every industry in the Dominion is now subject to an award of the Court. These awards are usually operative for three years, and experience shows that, when they expire, the workers file new and enlarged demands, necessitating a revision of the conditions of each industry every three years at least. From this it will be seen that the Arbitration Act has brought no finality.; disputes are endless, with no prospect apparently of industrial peace ever being reached. As a set-off against this constant, irritation, one grand commanding result can be chronicled: New Zealand is a land without strikes. It is true that in March, 1907, the members of the Slaughtermen's Union went out on strike for a week or so but the penalties of the law were invoked; a substantial fine on each man with the alternative of imprisonment brought the men to compliance; they submitted their case to the Court and abided by the result. The Arbitration Act was vindicated in this its time of trial. The experience of its working for fifteen years has brought about a peculiar and unforeseen result: the employers generally are more eager to
Since these pages went to press the Blackball miners have gone out on strike. They are being prosecuted for breach of the Arbitration Act and no doubt the strike will soon be ended. The most significant phase of the trouble Court. In this they seem to be supported by most of the Trades the Trades Halls of the Dominion. In fact, the workers are growing impatient with Arbitration because it has not realised the hope it first inspired. The principle of Arbitration is no wise at fault because it first inspired. The principle of problems which only the reforms urged in the following chapters can effect.

With all its drawbacks, it has saved from the dislocation and ruin of protracted strikes. In this respect alone it has abundantly justified itself.

Its effects upon wages and conditions of labour must also be remarked. For the most part the Court has slightly raised wages, shortened the working day, and improved the lot of factory girls; the over-reaching employer, apt to abuse the advantage of his position to the detriment of his men, has been checked.

Having fairly stated the benefits of regulation, the question which furnishes the keynote of this little book can now be asked: What has this regulation contributed to the solution of the problems or social inequality? Are they any nearer solution? Does success lie along the line of further and stricter regulation Can the industrious poor be amply rewarded and the idle rich be penalised thereby? Can Labour hope to get its fair share of the products of industry by this means? Can unearned increments be diminished and earned increments be augmented? These questions touch the pith of the matter. Regulation has done much, but maybe it is a spent force. Its virtue may be exhausted. It may be that here reforming zeal can achieve nothing further, that energy must be diverted into new channels if large results are to be gained. That, such is the case will appear as the argument proceeds. The regulation of industry has no key with which to unlock the door of just industrial conditions to the workers of the

The wealth of the world is enormous, and ample to supply the real needs of all its inhabitants. By the operation of subtle economic laws this wealth is unevenly distributed: many are glutted with riches: the producers of these riches are generally stinted. It was thought that Trade Unionism, in adding to the power of Labour in bargaining with the employer by the substitution of combination for competition, would secure to labour that share of the produce of industry to which it was justly entitled. That it has failed of its main purpose must be admitted. This failure is noticeable whether the principles of Trade Unionism are applied directly by the unions or through the medium of the State. New Zealand offers the best illustration of the failure because she has made the most liberal concessions to Labour ideals. Wages have been raised in almost all trades, but the purchasing power of those wages has been reduced in greater proportion. After sixteen years of Labour Legislation, after sixteen years of earnest effort after reform, real wages are less than at the beginning of the reforming period. By real wages are meant the commodities and satisfactions which money wages can purchase. Wages have gone up, but prices have increased still more. If the labourer now gets £3 a week where formerly he got only £2 he is worse off if his £3 will not purchase as many consumable goods as the £2 were wont to do. Very significant conclusions were published about three year ago by Mr Coghlan statistician of the New South Wales Government. He said that during the past fifteen years in New Zealand wages had risen 8½ per cent., meat 10 per cent., house rent 30 to 50 per cent., and other items from 10 to 50 per cent. These figures have been confirmed by Mr Tregear, Chief Secretary of the Labour Department of the Government of New Zealand. This gentleman has on several occasions, of recent years, in his annual report to Parliament, drawn attention to the burden which the great increase in the cost of living has put upon the working class. This increase in the cost of living is not due wholly to the activity of the Arbitration Court or Labour Legislation One of the prime factors, indeed, is the high prices that have prevailed so long in English markets for New Zealand butter, meat and wool. A sustained high price for a staple product tends to lift up the prices of other commodities Nevertheless, the fact is conspicuous that the purchasing power of the workers has been diminished during a period of unexampled reforming activity and during a period also of continuous prosperity. Somehow the mark has been missed. Certain subsidiary benefits have been secured, but the social problems still stand like the riddle of the Sphinx, defying solution. It is not pleasant, to admit failure, and there are many who allege that the remedy lies in more regulation.

A common plank in the platform of immediately desirable reforms adopted by the Trades Unions of New Zealand at their annual conferences is the following:—" That the hours of labour per day be gradually reduced until employment be found for all." The unemployed difficulty has never suffered in New Zealand that acuteness which is its normal condition in older lands. Yet there has always been a residuum of unemployed. As a country advances in population and wealth, the unemployed problem becomes accentuated. The wealth per head of a newly-settled country is less than that of an old country. Yet there is comparatively no poverty in the new country and no lack of employment. In the older country these evils are pronounced to a degree that appals. The Labour conference seeks a remedy in the gradual reduction of the length of the working day. The remedy is so crude that the possibility of its ever receiving legislative expression is, indeed, hardly conceivable.

The reforms urged in the following chapters can effect.
The reason for deterring to it is that it is rooted in ideas which exercise so sovereignty over the minds of thousands of people in New Zealand and millions of people throughout the world. These ideas with draw attention from reforms which have in them the prospect of success. Our task is still to clear the path of progress from the futile measures of reform which encumber it. There is much rubbish to be removed before any real advance can be made.

That any body of opinion should be found in support of such and kindred proposals among the leaders of thought in the ranks of Labour reveals an ignorance of the root principles of economics which one would scarcely have expected from intelligent men. It shows a disregard of the laws of production which, persisted in, must lead to calamity. The fallacy can be readily exposed. Let the argument be carefully noted, for more is involved than the refutation of the particular proposition under discussion.

A fair statement of the case for the proposed reform is first required. With plausibility of superficial reasoning, it is acute; is argued that if one hundred men working eight hours, a day can make all the boots needed by a community, and there are 200 men seeking employment as bootmakers, then if the working day were contracted to four hours, employment would be found for the whole 200. It is therefore suggested that a sort of sliding scale should be adopted whereby the hours of work in an industry might be lessened in number until the unemployed in that industry were absorbed. The mere statement of the case reveals its amazing absurdity! The least critical suggests innumerable interrogations for the defenders of the proposal to answer. If 200 men are required to do the work formerly done by 100, are their individual wages reduced, or do they remain the same? Doing only half the work, must not their wages be reduced by half, if the boots are to be sold at the same price as formerly? If wages, however, remain the same, must not the price of the product be raised sufficiently to pay for the added cost of production? If the price is raised, will not the consumer have to bear the burden? If the consumer has to pay more for his boots, will be not economise his use of them and thus lessen the demand, or will be not have less of his earnings to spend on other commodities and thus lessen the demand for those other commodities? Is it not true that if a man with fixed wages or income has to pay more for an article he has been in the habit of using, he will have less money for the purchase of other articles? If the demand for commodities is lessened, must not the demand for the labour which produces the commodities be lessened also? The demand for boots being diminished, how can our two hundred men find employment even at four hours a day? Must not the hours still further be reduced? And must not that, by further enhancing price, necessitate a still further reduction of hours? And so on, until we arrive at the reductio and absurdum—when the price is so high that the boots cannot be purchased at all and bootmakers have no employment. But suppose the demand for boots at the high price were maintained, would not the diminished demand in other branches of industry embarrass labor and lessen employment? In short, it is impossible to pursue this policy of gradually shortening the working day without causing one of two results—either there will be a rise of prices, which, by lessening general purchasing power, will weaken the demand for commodities in some direction and thereby contract the aggregate amount of employment; or there will be a maintenance of prices at their old level, with the purchasing power of the general consumers unabated, in which case our bootmakers must submit to a reduction of wages commensurate with the reduction of their output. On one horn of the dilemma Labour must be impaled. A merely artificial increase of employment in one trade cannot be effected without either a diminution of wages in that trade, or a diminution of employment in other trades. Neither result would be gratifying to the advocates of a gradual shortening of the working day until employment be found for all.

That such a monstrous proposition should engage the energy of men earnest for social betterment emphasises the urgency of familiarising the general public with the elementary principles of the production and distribution of wealth. Gross misconception of these principles has led to an expenditure of misguided effort, which, rightly directed, would have shifted the hand on the dial-plate; progress much further on. What is the leading principle governing wages, the reward of labour?

The source from which wages are drawn is the aggregate product of the factors of production—the national output, or the national dividend. It matters not what phrase is used, so long as the meaning is clear that Labour can only draw its wages from what is produced by Labour. Consequently, anything that diminishes the national output lessens the fund from which Labour is paid. That the effect which the reduction of the day's working hours will tend to have upon the national output may be fully appreciated let an extreme case be taken.

Suppose the working hours in all trades are reduced to four per day—a supposition not unreasonable, since such a reduction has been earnestly advocated by a president of a New Zealand trades Hall. What will be the effect? It cannot be contended that a man will produce as much in four hours as in eight. True, it has been established by experience that workers will do as much in eight or nine hours as in eleven or twelve. Indeed, so far as the reduction of hours has gone, the efficiency and productiveness of Labour may be said to have been increased. But it is false reasoning to argue that the same tendency must manifest itself at every further reduction. There is a limit below which any shortening of the working day must lessen the productivity of the worker. To lessen that is to diminish the total produce. And to diminish the total produce is to encroach upon...
and contract the only fund from which Labour can obtain wages. If the national output were diminished very substantially it is difficult to see how Labour could avoid sustaining a reduction of wages. At least, this is certain, the national output provides the only fund out of which the various factors of production can be remunerated. Land. Labour, and Capital have to share among them this aggregate output. If it is lessened, one of them must suffer. Land will receive less rent or Labour less wages, or Capital less interest. The natural effect of a diminished output would be to lessen the return to each factor Thus landowners, labourers, and capitalists would all suffer a pro-portionate reduction of income. But such is not the desire of these who advocate the shortened working day. If it is to be purchased at the cost of diminished wages, it is not wanted. It may be laid down, as possessing the self-evident truth of an axiom, that the average able-bodied worker would rather work eight hours a day at one shilling an hour than four hours a day at one shilling or even one shilling and sixpence, an hour. He is more solicitous for a rise in wages than a reduction of hours below eight per day.

But the question here obtrudes itself: Cannot the whole loss of the diminished output be thrown upon the capitalist or the land-owner? cannot Labour get the benefit of a shortened day with the maintenance of an undiminished rate of wages? This leads us to the domain of distribution. The problem of problems here presses into the foreground. Is there some hard necessity, some undeviating law which condemns Labour to a fixed proportionate share of the products of industry? Without regard to the volume of the national output at all, are there no measures whereby Labour may obtain a greater share than it has hitherto enjoyed? This question it is the function of subsequent chapters to answer. It will suffice here to state the conclusion which is there reasoned out. Labour can, and in justice ought to, receive a larger proportion of the products of industry—of the national output—than it does under the present industrial organisation; sation. But no assistance is rendered to the Solution of this problem by diminishing productive energy and restricting its output. The injustices and inequalities of distribution are not remedied by lessening the amount to be distributed. No salvation lies along the line of restricted production. Such a course leaves the problem of distribution still untouched. Let Labour exert itself to augment the national wealth consistent with an avoidance of "sweating" and undue fatigue. The more energy thrown into production the better. A country cannot be encumbered with too much wealth whilst an innumerable variety of wants remains unsatisfied.

Sometimes men speak of over-production as though such a thing in a general sense were possible. The consuming capacity of mankind is practically illimitable. Satiety is scarcely conceivable. Upon the gratification of one desire another emerges with almost equal importunity. There may be overproduction of one commodity; at a particular time the supply may be in excess of the demand. But so long as men are wanting satisfactions which only the products of labour can supply, there can be no overproduction of wealth. Should it arise that the markets of commodities generally were glutted, that goods offered for sale were unable to secure buyers we should find the explanation of the phenomenon not in overproduction, but in impediments to exchange, or in the unequal operation of the laws of distribution. Again, we come on to the problem of distribution. To talk of an overproduction of wheat in the world while millions are insufficiently nourished seems paradoxical. No doubt it has an intelligible meaning in the economic sense, for producers will be unable to dispose profitably of their goods unless consumers not only have the desire to consume, but have the general purchasing power which will make their desire an effective demand for the goods. The solution, then, of so-called overproduction is not less production, but the conversion of impotent desire to consume into effective demand, or power to purchase the things wanted. In short, buying and selling is nothing but exchanging of commodities, and if, by the laws of distribution, the fruits of industry were more evenly divided, buying and selling, or trade, would necessarily be brisk. Markets are glutted when wealth is aggregated in the hands of a few and the many have nothing to offer in exchange.

Again, Labour has often assumed an attitude of hostility to machinery. Machinery, it is urged, has displaced labour. By doing the work of ten men, nine have been supplanted. It is assumed, therefore, that the tendency of machinery and labour saving devices generally is to accentuate the lack of work and swell the ranks of that most distressed class, the unemployed. The industrial history of Great Britain during the last 100 years furnishes abundant evidence of the misery and straitening wrought by the sudden introduction of elaborate machinery. The riots whirl: swept over Britain, smashing the hated machines which had displaced labour, still live in the memory of men. However emphatically we may insist on their futility, we cannot but be filled with, compassion for the desperate plight of the labouring class which gave them birth. Unfortunately, the process of transforming industries by the use of machinery was not gradual enough. With a callousness for which the business world is notorious, the human factors of production were cast out as rubbish to make room forth steam-energised arms and hands of steel. The transition to the era of machinery came with something of the suddenness of a revolution. Insufficient time was given to prepare for the change and abate its evils. The usual distresses of a revolution afflicted the industrial classes. But the displacement of labour occasioned by the introduction of machinery is never more than temporary Machinery never supplants labour except it lessens the cost of production. To lessen the cost of production is to reduce the price of the commodity. To reduce the price
is to reduce the amount of the consumers earnings needed to be spent on that commodity; and to do that is to release money for expenditure in other directions. The introduction of machinery in one industry, therefore, occasions an increased demand for the products of other industries, and consequently of the labour required to produce those other commodities.

Whilst in some cases the introduction of new machines has come by continuous leaps, for the most part labour-saving appliances have made their way by small increments of invention. Indeed, as a general rule, machinery displaces labour only slowly and gradually. Porter tells us, for instance, that in 1813 there were not more than 2,400 power looms at work in England. In 1820 there were 14,150. In 1850 the number had increased to 100,000. But the curious fact is that during time the number of hand looms had somewhat increased. Porter shows also how the power loom illustrates the gradual continuous growth of improvements. A very good hand-weaver twenty-five or thirty years of age could weave two pieces of shirting per week. A steam-loom weaver fifteen years of age could weave in 1823 nine similar pieces in a week; in 1826 he could weave twelve pieces; and in 1833, assisted by a girl of twelve, he could weave eighteen pieces.

But whether machinery comes in gradually or suddenly, it ought to be a benefit to labour. After all, the masses do not want work: they want the results of it. If by invention some of the strain of toil can be shifted upon the shoulders of Nature and the productiveness of industry be augmented, so much the better. With a little less toil and more to consume the world would be happier. What eases labour whilst it multiplies its power cannot be inherently injurious to the working classes. If there are still poor, the fault lies not with machinery, but with the laws which distribute the products of machinery. It were disastrous misdirection of effort to assail that which increases Labour's efficiency. We only work to obtain goods for consumption. Let us obtain those goods as easily and in as large abundance as possible. We want not less goods, but better distribution of them. No benefit is to be gained by multiplying the obstacles and difficulties in the way of obtaining commodities for satisfaction. No blessing falls by doubling the amount of labour required to achieve a given end. Once again, we are led to the conclusion that it were a delusion to expert amelioration by making production more costly and less effective. The great desideratum is the utmost energy and efficiency of industry coupled with distribution of its teeming products on just principles.

Chapter IV.

Protection

One of the most insidious foes of genuine reform of our social system is the policy of Protection of home industries. To begin with, the name begs the question. The word naturally suggests ideas associated with what is good and praiseworthy. Surely no one can argue against the protection of industries. Perhaps not in the literal sense, but most assuredly one can in the technical sense which the word has acquired in relation to the fiscal systems of countries. It is most unfortunate that the exponents of the theory of promoting industry by taxing imports should have been permitted to appropriate such a term as Protection. This virtue-assuming name has helped to perpetuate the errors which it covers and has impeded the progress of true reform. If the function of a name is to express the qualities and tendencies of an idea, then the name "Destruction" would be more fitting.

The most cursory survey of the commercial world discovers signs of a growing belief in the efficacy of the system of Protection to promote a country's wealth. Nations seem on the eve of a bitter and prolonged warfare of tariffs. New Zealand has just raised her tariff. Australia is advancing, bounding along the same road. America is preparing for a tremendous struggle on this same fiscal issue. Indeed, Britain is the only considerable country whose Government is not meddling with the course of trade. And even in Britain there is not lacking a disposition on the part of a zealous and perhaps growing minority to urge her to a complete change of her traditional policy. In fiscal problems, error seems specially facile in assuming plausible and winning guises. Its parade of superficial logic deceives the man unaccustomed to searching analysis of ideas. It has a semblance of truth which the undiscriminating popular mind fails to distinguish from the reality.

"In the Dominion of New Zealand," we are told, "a great quantity of woollen goods is annually imported. If a tax were imposed on these imports sufficient to exclude them, a tremendous impetus would be given to the local woollen industry. More labour would be employed. The money formerly expended on foreign goods would be circulated in the Dominion. The home producer would be benefitted at the expense of the foreign." To one versed in the principles of economics the above reasoning is seen to be faulty at every step. Yet to the mass of working people in the Australasian colonies at any rate, and to a multitudinous class of business men, it has the verity of a syllogism. The reasoning is re-enforced by patriotic sentiment expressed in every variety of
tricky phrase—Let British men buy British goods," "New Zealand for the New Zealanders" (to use a common expression of Mr. Seddon, the late Premier of New Zealand). Somehow or other, the belief has rooted deeply that to purchase locally-made commodities is to confer benefits upon the labour and enhance the prosperity of one's own country a degree immeasurably greater than by purchasing foreign goods. A searching scrutiny of fundamentals is required that such popular errors may be wrenched from their sockets.

There are many benefits which Protection can secure to a country. It can give support to industries in their infancy and nurture them into justified manhood; it can shelter them in their time of weakness from the withering blast of the competition of strong, long-established rivals in foreign countries; it can give a diversity of employment and thereby a diversity of social life; it can render a country in a large measure self-reliant and independent of supplies from alien nations.

Let us speak with equal plainness upon the disabilities of Protection. It cannot contribute anything to the solution of the unemployed problem; it cannot raise wages; it cannot increase the demand for local labour, or make employment more abundant; it cannot augment a country's wealth. So far as its effect upon wages is concerned, Protection has always failed to realise the hopes of its protagonists.

But a high tariff involves something more than the negation of virtues; it possesses positive evils. A high tariff contracts a community's productive capacity, diminishes the consumer's purchasing power, and lessens the real wages of labour. Besides this, it keeps alive international animosities which the peaceful course of trade would help to allay. Its grip of the popular mind is due to the belief that by importing commodities a country confers greater benefits on the foreigner than it receives; that one nation's gain is another's loss; that trade is advantageous to the seller, but detrimental to the buyer; that a country grows rich by exporting and poor by importing; that the best way of advancing one nation's prosperity is by beggaring another. Adam Smith bursts into a transport of indignation at the false notions and the mean and petty jealousies that encumber trade. "In this manner," he says, "the sneaking arts or underling tradesmen are erected into political maxims for the conduct of a great empire. By such maxims as these nations have been taught that their interest consisted in beggaring all their neighbours. Each nation has been made to look with an invidious eye upon the prosperity of all the nations with which it trades and to consider their gain as its own loss. Commerce, which ought naturally to be among nations as among individuals a bond of union and friendship, has become the most fertile source of discord and animosity. The capricious ambition of Kings and Ministers has not during the present and preceding century been more fatal to the repose of Europe than the impertinent jealousy of merchants and manufacturers."

So much for bare averments as to what Protection can and cannot do. They prove nothing, but they serve to state the problem. Now, let us look at the general attitude of Protectionist countries to foreign trade. The dimensions of the problem will be better appreciated. That attitude will be seen to involve strange contradictions and indefensible positions. There is not a country in the world with any claim to civilisation which is not eager to obtain new markets for its produce. Every effort is made to push the sale of its commodities in foreign lands. We bemoan in this Dominion that we are so far away from the centres of commerce. We hail with delight the progress of invention which enables us to land our meat and butter in excellent condition at the Antipodes. We subsidise steamships to extend our trade. We welcome anything that will reduce freights, quicken the speed of ships, or in any way lessen the cost of transportation. We are looking hopefully to China and Japan, watching their awakening, and making estimates of their value as markets for our produce. It is conceded with unanimity that no pains must be spared in producing articles for export which, by their quality and cheapness, shall obtain a commanding position in foreign lands. Our dairy and agricultural produce is subjected to the minutest Government inspection to protect it against deterioration. It is conceded with unanimity that no pains must be spared in producing articles for export which, by their quality and cheapness, shall obtain a commanding position in foreign lands. Our dairy and agricultural produce is subjected to the minutest Government inspection to protect it against deterioration. It is conceded with unanimity that no pains must be spared in producing articles for export which, by their quality and cheapness, shall obtain a commanding position in foreign lands. Our dairy and agricultural produce is subjected to the minutest Government inspection to protect it against deterioration.

Our attitude towards the importation of foreign goods from foreign countries is quite different. Whilst we view with complacency the growth of our export trade, we look with apprehension at the advance of the import trade. The one we regard with the liveliest satisfaction, the other with dread and fear. As goods come pouring into the country we tremble for the fate of local industries. We expatiate on the advantages of letting our own people make the goods instead of the foreigner, of keeping our money in our own country instead of sending it abroad to enrich our foreign competitors. There seems some lack of patriotism in employing the labour of distant lands to make commodities which the labour of our own country could make. Hence patriotism and a multitude of other worthy sentiments are enlisted in the service of the policy which would check imports as destructive to local industry.

However it may be disguised, the above represents the attitude to foreign trade of all countries that attempt to foster local industries by tariffs. They point with alarm to a country whose imports exceed its exports. They speak of the balance of trade being "favourable" when exports exceed imports. By some means the notion has laid hold of men's minds that a nation is enriched by what it export and impoverished by what it imports. The satisfaction an export trade and the apprehension with which an import trade are regarded are pretty general
amongst all classes of men. It is the strength and wide diffusion of this belief which accounts for the amazing
faith in the efficacy of tariffs. This belief fallacy though it be, is susceptible, as has been said, of presentation in
the most plausible dress.

"If the foreign goods," its upholders urge, "were not purchased, the demand for local goods would be
increased, and this increased demand for goods would necessarily lead to an increased demand for labour to
produce them; hence Protection, by restricting imports, intensifies the demand for local labour." There can be
no doubt Protection owes its influence to such misconceptions of foreign trade. This its leaders will probably
disavow. Nevertheless, Protection is a lost cause when collect notions of foreign trade are the property of the
masses. Misconception hero is the great fortress of the selfish interests of manufacturers and politicians. The
rudimentary principles of trade require to be stated in simple and untechnical language.

Foreign commerce is, in the long run a mere exchange of commodities. It is a system of barter on a colossal
scale. This barter is aided by money, or, more truly, credit instruments, which are the medium of the exchange.
The foreign trade of a country always consists in exchanging goods of less value to it for goods of greater
value. Imports are the payment, for exports, and they tend to balance each other everywhere. A country cannot
be deluged with the cheap products of foreign merchants to the extinction of its industries. A country with
cheap labour and boundless natural resources cannot, under a system of Freetrade, destroy the commerce of a
country whose labour is dear and whose soil is churlish and ungenerous. No nation ever was, and no nation ever
could be, drained of its money or precious metals by the action of trade. To lessen imports is to lessen exports.
To increase exports is to compel an increase of imports. Except under abnormal conditions, trade is always
profitable to both parties to it. It increases a country's wealth, enlarges the stock of its consumable commodities,
and makes its labour more productive.

The above statements, crisp and audacious, have been grouped together to challenge attention. If true, they
undermine the theory of Protection. To establish them is the duty of the present chapter.

"Trade is an exchange of commodities." Money in this connection is merely the medium of the exchange.
At bottom, trade is barter. Money has been introduced to facilitate the exchanges. The inconveniences of barter
are apparent on the surface. If a boot-maker has a pair of boots for sale and wants to buy a pair of trousers, he
must find a tailor who not only has trousers for sale, but who also wants boots. The expenditure of time and
labour in bringing together men with mutual wants and mutual means of satisfying them is incalculable. The
intervention of money avoids this. It provides a standard by which the values of all things are measured. The
values of all merchantable commodities are expressed in terms of money. But, more important still, money
represents general purchasing power. A sovereign will purchase goods or services of any kind. If a bootmaker
sells his boots for a sovereign he can buy with that sovereign trousers from any tailor, whether the particular
tailor wants a pair of boots or not. The tailor's possession of the sovereign represents his power to purchase a
sovereign's worth of goods of any description. Money, having this property of general purchasing power, is
universally accepted by sellers It is universally wanted, because it can at will be converted into any
commodities. "Goods are sold for money in order that money itself may, at the time and in the place most
suitable and convenient, be in turn sold for goods." Thus the necessity is obviated of bringing together two men
each possessing what the other wants, and each wanting what the other possesses.

Nevertheless, the principle of trade has not been altered. When the bootmaker sells his boots for £1 and
with it buys a pair of trousers, the boots are as truly exchanged for the trousers as in a system of barter. The
man who buys the boots cannot supply the seller with trousers, but he supplies him with the £1 wherewith the
trousers can be bought from any tailor, irrespective of the latter's want or otherwise of a pair of boots. "It is
not," says Mr Mill in the third volume of his "Principles of Political Economy, "with money that things are
really purchased. Nobody's income (except that of the gold or silver miner) is derived from the precious metals
The pounds or shillings which a person receives weekly or yearly are not what constitute his income; they are a
sort of tickets or orders which he can present for payment at any shop he pleases, and which entitle him to
receive a certain value of any commodity that he makes choice of. The farmer pays his Labourers and his
landlord in these tickets, as the most convenient plan for himself and them; but their real income is their share
of his corn, cattle and hay and it makes no essential difference whether he distributes it to them direct, or sells it
for them and gives them the price; but as they would have to sell it for money if he did not, and as he is a seller
at any rate, it best suits the purposes of all that he should sell their share along with his own and leave the
labourers more leisure for work and the landlord for being idle. The capitalists, except those who are producers
of the precious metals, derive no part of their income from those metals, since they only get them by buying
them with their own produce; while all other persons have their incomes paid to them by capitalists, or by those
who have received payment from the capitalists, and as the capitalists have nothing from the first except their
produce, it is that and nothing else which supplies all income furnished by them. There cannot, in short, be
intrinsically a more insignificant thing in the economy of society than money except in the character of a
contrivance for sparing time and labour. It is a machinery for doing quickly and commodiously what would be
done, though less quickly and commodiously, without it; like many other kinds of machinery, "adds Mr Mill, "it only exerts a distinct and independent influence of its own when it gets out of order."

It is the general purchasing power of money which has given rise to misconceptions concerning its functions. Since money will buy anything, men toil and strain to bring forth something which will buy money. Thus the grand virtue of money in facilitating exchanges is often lost sight of, and money is pursued as an end in itself.

As money is the medium of exchange, it follows that exports must equal imports in international trade. Foreign trade is no more than a complex development of the simple transaction we have been considering between the bootmaker and the tailor. The principle is the same, although its operation may be disguised. The commodities which a country imports are paid for in the long run by the commodities it exports, and not by gold.

The importance of this truth is so vital that it ought to be written in illuminated capitals in every work dealing with fiscal problems. Let it once grip a man's understanding, and the bold of Protection must needs be relaxed. The dread of a large import trade is the belief that it deprives local labour of employment. If Britain, it is argued, did not import so much wheat there would be more employment for British farm labourers. If New Zealand did not import American and English boots there would be more employment for New Zealand bootmaker. But the imports must be paid for, and they cannot be paid for by money; therefore they must be paid for by commodities produced for export. Britain must send out woollens and cottons in exchange for the agricultural produce; New Zealand must send out meat and grain in exchange for the boots and shoes. And fabrics cannot be produced without labour in Britain; neither can grain be grown without labour in New Zealand. If as the result of foreign trade, Britain requires less labour for agriculture, she requires more for manufacture. Similarly, New Zealand requires more for agriculture and less for manufacture. Thus to import boots is to export butter and cheese, and does not lessen the demand for home labour. If the labour is not required for making boots, it is required for making those things which must be exported in payment of the boots. Every purchase implies a sale, and every sale a purchase. There must be an exact balance between what is poured into the markets of the world and what is drawn out. Popular speech often seems to be based on the belief that a country is impoverished when it imports and enriched when it exports. Hence we are urged to multiply obstacles to importation, and at the same time by means of reduced freight; and faster shipping services to increase the facilities for exportation. Yet the truth is a nation is enriched by its imports, which are the only payment for those products which it sends from its shores.

But the reader may demur from the proposition, incidentally laid down, that imports cannot be paid for by money. Close attention to this point will be amply repaid. Indeed, it is the crux of the fiscal problem. Why cannot a country he drained of its gold to pay for its imports? What necessity is imposed upon it to export commodities? The necessity is that of an economic law that never deviates. That law is this: as water tends to find one level, so prices of the same commodities at the same time tend to find one level the world over. If allowance be made for cost of freight, fetal tariffs, and other impediments of trade, the statement is true that prices are the same everywhere. Now, what determines the general level of prices? The amount of money in circulation, supplement of course, by the present highly organised system of credit. But for the purposes of the argument we can treat credit as money, since it economises the use and performs the function of money as a medium of exchange. Money, then, is the medium of exchange. Money is also the standard by which we measure value. If there is a large amount of money relative to the number of exchanges to be effected, prices will be high; if there is relatively a small amount of money, prices will be low. Trade is the process whereby the man who produces goods brings them into the hands of the man who wants to consume them, and money is the means employed. The goods must pass from hand to hand for this purpose, and they do so by the instrumentality of money. The goods as they are exchanged are expressed in terms of money. Now, if there is an abundance of money in proportion to the number of exchange transactions to be effected, prices will be high. If money is scans, prices will be low. To understand the effect of money on general prices, one must put on one side the work to be done, the exchanges to be effected by money, and on the other the amount of money that is available for the performance of this work. The proportion of the money to the work determines the general level of prices—that is, makes things generally dear or cheap.

We can now revert to the problem whether foreign trade can drain a country of its money. Let us suppose that imported goods are being paid for by money. As goods come in, gold coins go out. Gradually the currency, the medium of exchange, is depleted. But as this process of depletion goes on, prices fall, and in proportion to the depletion. The money for doing the work of exchange is lessened, while the number of exchanges to be effected remains the same. Thus it becomes scarce, relative to the work it has to do; whence it follows that a sovereign will purchase more commodities then formerly. Money is the only means by which in modern society we purchase commodities. Consequently, if the money is reduced by one half, say, and the amount of commodities to be purchased remains the same (population being the same, the demand for commodities
would not vary much) prices must be reduced by one-half. If we want to find the aggregate price of all the marketable goods and services of a country, we get it by estimating the amount of money that is offered for these goods and services. Thus to increase the money is to increase price, and to lessen the money is to lessen price.

A simple illustration will clarify this most important of economic truths. Suppose that Robinson Crusoe had saved from his ship a small of gold coins, and that in exploring his island he came across 100 move men in like case to himself, each also with an equal stock of coin. They cannot eat and drink the coin. It will not help them to hunt and fish or build huts and boats. But they will soon realise the advantage of a rudimentary division of labour; some will do the fishing, some the house-building, some the tailoring, etc. With this division of employments, trade will arise through the necessity of an exchange of products. The inconvenience of barter—will very quickly manifest itself, and the money they have will be used as the medium of their exchanges. One is made a hanker, and each puts his money in the bank and is credited with what he puts in. The money in, say £500, is to be used for buying and selling the possessions of each. Thus the value of the possessions expressed in money is £500. Had the amount of the money been £250, the value of the same possessions would have been £250. The amount of money for use in exchanges thus determines the general level of prices.

Or suppose six men come into a market each with but one article to sell, and each wanting to purchase one article belonging to another. One article, we will suppose, is as valuable as another. All that is wanted is an exchange. Each man brings one article and wants to go away with another. If the amount of money to effect these exchanges is £36, the price of each article will be £3, as twelve exchanges will be requisite. If, through foreign trade drawing away half the money, the amount to effect these exchanges is only £18, then the price of each article will be £1 10s.

These illustrations serve to show that money, being the medium of exchange, is also the determinant of general prices. Prices rise or fall with the amount of money in circulation. Well, then, if a country—say New Zealand—were to pay for its imports by money and large quantities of money were sent out to meet indebtedness to foreign creditor, the general level of prices for its commodities must fall. If half the circulating medium were in that way sent out of the country, prices in New Zealand would fall by one-half. But what happens when this result has been reached? The drain of gold has reduced prices one-half. Assuming the prices in Set Zealand before the drain commenced were about the same as in other countries, allowing for freight, etc., they are now only half what they are in other places. As a consequence, it will no longer pay the manufacturers in these other countries to send their goods to New Zealand, where they can only secure half the price obtainable else where. Imports to New Zealand will stop. The goods formerly imported will have gone in search of the higher prices. Thus the drain of gold has stopped—imports. But its effect is not limited there.

A drain of gold stimulates the export trade. Prices are so low that it pays local producers better to send their goods to Britain for sale than to sell them at home. After paying cost of carriage and other expenses incident to exportation, a better return is obtained in the British markets than in the home one. Thus goods have stopped coming in, and goods have begun going out. The cessation of imports has stopped the drain of gold, and now there is a drain of commodities, while the amount of currency remains stationary and prices begin to rise. Furthermore, whilst local prices remain far below foreign prices, no goods will be imported in exchange for the goods that are being exported. No. the Dominion's exports will necessarily be paid for by money. Thus goods will go out and money will come in. The outcome of this process will he a rise in local prices, and the process will continue until prices have reached the normal level—until, in short, the general level of prices in New Zealand is the same, after allowing for the factors already noticed, as in other countries.

The above argument demonstrates the impossibility of any country being deprived of its gold by foreign trade. The slightest tendency in this direction shows itself in a fall in prices, and the fall in prices arrests the tendency. The action of money on prices is such as to preclude the possibility of goods being exchanged ultimately for anything but goods. Such being the influence of the fluidity of money on prices, it becomes demonstrably impossible for a country, however inferior in natural resources or industrial efficiency, to be robbed of its currency and deluged with foreign commodities.

Payment cannot long continue to be paid in money. If goods are not exported, importation must stop or the national assets must be mortgaged. Even in the latter case, the indebtedness must at some time be redeemed, and redemption can only be effected by the exportation of commodities. It is the rigorous necessity of providing for payment, which can only be made by goods, which preserves the industries of the weakest countries. Foreign trade may cause this industry or that industry to languish but it must necessarily stimulate others. Of course if it were possible for one country to receive regularly the goods of another without exporting anything in exchange, it is difficult to see what hardship the former would suffer. The only need a country has for industries is to produce commodities, required for consumption, and if these commodities were supplied by foreign labour without payment, the country would be in the enviable position of enjoying satisfied and
luxurious idleness. In short, foreign trade is, perforce, an exchange of goods.

The soundness of this conclusion is confirmed by reference to the fiscal history of any country. At first sight, there seems wide disparity between the values of the imports and exports of Great Britain. The imports were in 1905 £565,020,000, the exports £407,597,111. The excess of imports seems enormous, and similar excess has been characteristic of Britain's trade for many years. Is the balance, then, being paid for by money? Sir R. Giffen, the eminent statistician, gives an emphatic denial. The excess represents payment to British creditors by foreign debtors of interest on loans, costs of transport of goods over sea and other items of credit in favour of Britain. A great deal of the excess is made up of freight charges, for it must be remembered that three-quarters of the world's ocean trade is done in British bottoms.

In New Zealand the exports exceed the imports. The exports in 1905 were £15,655,947, the imports £12,822,857. This excess is accounted for by the fact that New Zealand is a debtor country. The interest on her national debt alone is over £2,000,000 a year, and this interest is paid for by commodities. Thus imports tend to balance exports, and exports imports.

If further proof were required that foreign trade is an exchange of commodities, it is supplied in the small quantities of money which pass between nations from year to year. New Zealand's export of specie in 1905 was £13,875. The import of specie was £347,679. The import is larger in amount than the export because New Zealand has no mint. In any case, the movement of specie is insignificant compared with the volume of trade.

The importation of large quantities of money into America during the recent crisis was due to the total collapse of credit, and in no way affects the argument of this chapter.

Of course, it is not maintained that exports must equal imports in any one year, but that over a series of years they must do so.

Trade being demonstrably an exchange of commodities, what becomes of the popular belief that Protection gives employment to Labour? The labour not required to produce the article imported is required to produce the article exported. So that, whatever virtues Protection may have, it does not give a country's workers employment; and whatever evils Freerade may possess, it does not drain a country of its money.

The nature and benefits of foreign trade cannot be understood apart from the causes which give rise to it. Nations only trade with each other when it is profitable to do so. They pursue self-intent in the same way as individuals. There cannot continue between two countries trade which is profitable to one only. Countries exchange products because of mutual advantage to be gained. This truth can be set in the clearest light by an extreme case. There is considerable trade between England and the Channel Islands. The islands import all their wheat from England, yet they can produce wheat much more cheaply than the imported article can be sold for in the islands. What, then, is the cause of this importation of wheat? Why do the local farmers not grow it, and capture the home market? The answer is to be found in the special advantages which the Channel Islands have for the production of early potato and fruit. Whilst they can produce wheat cheaper than Britain, they can produce fruit and potatoes still cheaper. Their advantages over Britain in the growth of fruit is greater than their advantage in the growth of wheat. Hence the Channel Islands have turned their wheat fields into orchards, and by doing so they have obtained the maximum gain. The islanders, instead of applying a portion of their labour to the growth of wheat for home consumption, apply it to the growth of fruit to export in exchange for wheat. The way in which the gain from such exchange accrues is obvious. Suppose an acre of land under wheat yields forty bushels, whilst the same acre under orchard, with the same labour, will produce fruit for export which can be exchanged for sixty bushels of wheat. In this case the same labour and land, devoted to fruit, will yield in effect twenty bushels more wheat than if devoted directly to the raising of wheat. It is not always advisable, then, for a country to make for itself what it can produce cheaper than the foreigner. Thus it follows that a country superior in every respect to another might find it profitable to import from that other, importing those commodities for which its superiority was less marked. In other words, trade may arise between two countries, one of which is superior to the other in respect of the production of all the commodities the subject of exchange. A country's foreign trade consists in exporting those goods in the production of which it has the greatest advantage or least disadvantage, and importing those goods in the productions of which it has least advantage or greatest disadvantage.

These illustrations serve to show that foreign trade augments the wealth of a country. What is less valuable to it, it exports for what is more valuable. The labour and capital of the country is concenrated upon those industries for which the country is most adapted. Trade invariably means an exchange of a lesser for a greater value.

It is not proposed to enter into the merits of the controversy between Freerade and Protection. Whatever may be said for Protection, there is no doubt that Freerade secures for a nation the employment of its labour and capital in the production of those things for which its soil, climate density of population, and other natural conditions best fit it. Freerade consequently means the maximum of productivity.

But neither Freerade nor Protection solves the questions to which this book is devoted. In Freerade Britain...
there is appalling poverty and distress. In Protectionist Germany and United States there is the same. The root idea of foreign trade has been dealt with here to show there is no magic power in Protection to quicken the demand for Labour, make money plentiful, and bring in the industrial millennium for which so many are striving. Consistent with this purpose, the treatment of the problems of money and fiscal relationship has been confined within narrow limits. In dealing with money no mention has been made of the effect of the rapidity of circulation and of credit instruments. Neither has the alleged beneficial effect of Protection on infant industries been examined. These and other kindred matters have been disregarded as unnecessary to the object in view. This is not a treatise on foreign trade or money, but if the truth has been firmly grasped that trade is but an exchange of commodities, the power of Protection to seduce men from the path of true reform will have been diminished. The spell which it exercises on some minds will, it is hoped, have been broken, and energies liberated for the pursuit, of those reforms which will indeed bring amelioration of society.

N.B.—Nothing is more calculated to give just notions of the functions of money and destroy the fetish of gold and silver than an enumeration of the various articles that have at different time-and in different countries been used as money. Almost every portable article of consumption has at one time been so used and indeed, the precious metals are not universally employed now. In Africa some of the tribes on the West Coast use cowrie shells. In parts of Japan they use rice: in Central Asia, packages of tea; in Central Africa pieces of calico; in Abyssinia cubes of salt. These commodities are used as the general medium for effecting exchanges. In civilised countries gold and silver have displaced all other commodities as standard currency because of their ready portability, great durability, and high intrinsic value.

As showing how an overplus of money relative to the exchanges to be effected raises the general level of prices, merchants in Sweden in the 17th century had to take wheelbarrows with them to carry their money. In the interior of China even to-day, where the depreciated copper coin called the "cash" is the only currency, merchants have to hire porters to carry their money.

The inconvenience of the absence of a circulating medium was acutely by Mr Wallace when travelling in the Malay Archipelago. Many of the islands had no proper currency, and when he came across a native with fish or other food that he wanted, he couldn't secure it unless he happened to have in his baggage something which the native wanted. The difficulty of obtaining this coincidence, essential to barter, often caused Wallace and his party to be deprived of their dinner. It also enormously increased the impediments of travel. The party had to provide themselves with trinkets, guns, etc., so as to be ready to meet every variety of taste.

Colonel Young husband experienced the same drawbacks recently in his expedition into Thibet. He found many trite without currency, and suggests the introduction of one as the first step to civilisation.

The use of money in any but the most rudimentary societies is indeed essential. It is as indispensable to the interchange of commodities as language to the interchange of ideas; but it is no more wealth than the dictionary is Shakespeare or Milton.

Chapter V.

A State Bank.

There is a disposition on the part of a large body of men to ascribe the economic ills of society to the money question. We have ardent advocates of Bimetallism, and still more ardent believer, in a State Bank. The former are a negligible quantity in practical politics, the latter by their numbers and importunity command attention. The faith of the working classes in the efficacy of abundant money as a panacea is hard to shake. No topic is more beset with subtle and insidious delusions. "All the evils of the day," says Jevons—" slackness of trade, falling prices, declining revenue, poverty of the people, want of employment, political discontent bankruptcy, and panic— have been attributed to the want of money" The remedy formerly proposed was to set the Mint to work; that now suggested is to start a printing press for the issue of paper money.

A State Bank and paper money are indissolubly associated. Many conceive of such a Bank as an institution where money can be made without limit and without cost. The popular mind invariably connects with it a printing press turning bales of paper into bank notes. As money can always purchase things and employ labour, it is thought that the more money there is the more commodities can be obtained, and the more labour employed. Thus the State, by the issue of paper money, could construct its public works and carry on the administration of government without appreciable cost. An illustration of this belief is afforded in the annual discussions upon the subject of the New Zealand Trades and Labour Conferences. With unfailing regularity, the desirability of the Slate's monopolising the functions of banking; is affirmed. With the same regularity
resolutions are passed that the State should build its railways by the inconvertible paper money of such State Bank.

If the Australasian States, by monopolising banking and reserving to themselves the sole right to issue paper money, can construct roads, bridges, and railways without the necessity of recourse to the British money-lender—without cost, in short—then it will be generally admitted they should assume the discharge of these functions without delay.

An analysis, therefore, into the operation of paper as money must precede any judgment upon the merits of State banking. For it is this which specially distinguishes State banking from any other form of State enterprise.

History would seem to condemn the use of paper money unless it is convertible at will into coin. The dire calamities of the past have induced all civilised communities to adopt gold or silver as their standard currency. Paper is used, but always subject to the strictest regulation. "The Bank Charter Act " allows the Bank of England to issue against Government securities some £15,000,000 of bank notes without requiring any gold reserve for their redemption. After this limit is reached, the Bank must deposit, in its vaults gold equivalent to five sovereigns for every five-pound note it puts in circulation, so that at any time there is sufficient gold actually in the Bank to redeem all the notes in circulation in excess of £15,000,000. All the notes, however, are alike convertible into gold at the demand of their possessors.

But British internal trade is such that, under normal conditions, there will remain in circulation a minimum of Bank of England notes amounting in value to £15,000,000. Apart from financial panic, therefore, the Bank runs no risk of being unable to meet its obligation to give gold on demand for every note it issues.

The insistence upon the convertibility of bank notes, and the strict regulations which govern their issue, are in striking contrast to the conditions under which gold money is issued. For gold there is absolutely free and unlimited coinage. The Government make no charge for the cost of minting and impose no limit upon the quantity coined. Any man may take gold bullion to the Mint and have it coined into as many sovereigns as it will make. The State will give him back his bullion in the form of sovereigns, containing the same weight of fine gold as his bullion did, and charge him nothing for the labour involved.

From this it will appear that Britain has no fear of the over issue of gold. The State bears the expense even of coinage, that there might not be the slightest impediment to the increase of gold money. There is a total absence of those restrictions that encumber the issue of paper money. Seemingly there cannot be too much gold in circulation, but there is a danger of too much paper truth is, however, there may be an excess of gold as well as paper but the former is subject to natural causes of limitation which do not affect the latter. Let us briefly recapitulate here the argument used in a previous chapter in elucidation of the law governing the value of money generally. It is necessary to a proper understanding of the peculiar dangers incident to paper money.

Money is not wealth, but it is the power to procure wealth. It is now generally recognised that money is the medium of exchange and that a country is not enriched by the mere possession of gold or silver or paper. If the worlds supply of the precious metals were doubled to-morrow, there would be no more bread to satisfy the hungry, no more clothing, no more houses—in short, no more commodities capable of satisfying human wants. The possession of gold enriches only so far as the gold can be exchanged for consumable goods.

Robinson Crusoe would have been poor indeed if he had been wrecked on an island whose racks were of gold and whose sands were of silver, but whose soil could not support vegetation.

The leading idea of the Mercantile Theory, however, was that of all forms of wealth gold was the most useful to a nation. The pre-dominance of this idea led Spain, France, and Britain to adopt every conceivable expedient, to increase the quantity of gold and silver in their countries. Governments generally, indeed, gave bounties on the export of home manufactures, placed heavy duties on the import of foreign goods, and forbade the export of the precious metals. By this means each country strove to rob its neighbours of their money. When commodities were being exported, and no commodities were being imported, the exported commodities had to be paid for in coin. The benefits of foreign trade to a country were measured by the amount of money such trade brought into it. A nation was said to have a favorable balance of trade when exports exceeded imports, leaving a balance to be paid for by money. It was the empire of this belief in the pre-eminent preciousness of gold and silver which dictated the early colonial policy of Britain and Spain. The colonies of both countries were considered valuable only in so far as they furnished the mother country with abundant quantities of the precious metals. To this end they were uniformly prohibited from trading with any but the mother country, and their trade was restricted to supplying her with the raw produce of manufactures or with precious metal. When Columbus discovered America he was impressed not so much with the wide stretches of fertile soil as with the indications of rich mines of gold and silver. What excursions he made on that vast continent were made in pursuit of gold. To him the grand advantage of America to Spain was its capacity of pouring into her the inexhaustible supplies of its natural storehouse of gold and silver. For many years Spanish galleons plied the Atlantic carrying wares and trinkets to the aborigines, and returning freighted with the spoil of the mines. In many cases whole villages of natives were reduced to slavery and compelled to work in the mines that the
stream of gold and silver into Spam might be swelled.

All the time the Spaniards thought they were growing rich. They held on to their treasure with amazing tenacity. They prohibited under severe penalties, the export of any of the gold and silver and in order that still more might flow in they encouraged in every way conceivable home manufacturers to export their goods. The producer who sent his goods to the foreign market for sale instead of to the home market received a bounty. In this way the nation confidently expected to get rich beyond all others. It was sending away from it, shores the goods by which its people could be fed and clad, and taking in return precious metals, which in themselves could satisfy no human want.

Disaster followed. The more that gold streamed in, the more that money circulated, the more that precious metals accumulated the more aggravated became the poverty of the inhabitants. If money was wealth, the country was fabulously wealthy. Unfortunately, however, the process of filling the country with gold had emptied it of those consumable goods, the abundance of which alone constitutes a people's well-being. The gold was there, but there was a lamentable shortage of commodities to be purchased by the gold. Spain became poor through having too much money From a position of pre-eminence she sank into the second rank among European nations, and has remained there ever since. No doubt many causes contributed to the decline of the once formidable power of Spain, but the excess of money was by no means one of the least. Spain suffered more than any other from the Mercantile system, because she carried it out to the most extreme degree, and because of the fatal ease with which she obtained supplies of the precious metals from America.

No better example could be furnished of the possibility of a glut of money and of the evils arising therefrom. The superfluity of over-issue of money of any kind leads to depreciation of its value, and all the collapse of credit and depression of trade which such depreciation entails.

Let us indicate again with precision what determines the value of money. Competent authorities tell us that the value of money varies inversely with its quantity. In other words, the more money there is in circulation the less will be its purchasing power or value. Each coin will exchange for a less quantity of goods. The grand purpose of money is to act as a medium for effecting transferences of commodities from one person to another. The number of exchange that require to he made at any time is limited. If the money which is the medium of these exchanges be doubled in quantity each individual coin or bank note will purchase only half as much as formerly.

An illustration may help to elucidate the truth. Suppose that next pay day every wage earner in the Dominion of New Zealand finds his wages increased twofold. There are then twice as many sovereigns or twice as many bank notes being offered in purchase of goods as there were on the previous pay day there are no more commodities in existence. There are no more But boots to buy, no more clothes for sale. What happens then Prices rise. Every piece of money in circulation represents a demand for some article of consumption or for some service. To double the number of pieces is to double the demand. But this increase in money has in no way increased the supply of the goods demanded. The retailers will be quick to discern this, and will lift their prieces in response. There are two conditions under which prices always rise. The price of a commodity rises when the demand is stationary and the supply is diminished; it rises also when the supply is Constant and the demand increases. The practical effect of doubling the money the money in circulation will be to bring two purchasers to a shop for every one that formerly came. Where formerly there was £1 being offered for drapery or groceries, there will now be £2.

But will this be a hardship? Will not shopkeepers quickly dispose of their present stock and create a demand for more goods, which will stimulate production in all industriescas? Would not this increase of money give a tremendous fillip to industry, relieving the glut of the labour market, raising wages, and conferring innumerable other benefits.

Undoubtedly the immediate effect of an increase of money would be to give buoyancy to trade. It would lead to quickened industrial activity for the time being. But the sudden increase in the demand would bring about a sudden increase in the price, as retailers would find themselves temporarily short of supplies. The supplies which merchants keep are determined on calculations of normal demand. Consequently they would be unready to meet the suddenly enhanced demand. This unreadiness would manifest itself in rising prices. The increased price, however, which they would secure for what stocks they had would induce them to make every effort to replenish their stock. To increase their stock they would compete with each other vigorously in the wholesale markets, and wholesale prices would go up. Wholesale prices going up the profits of wholesale dealers would be enhanced, providing a strong incentive for them in their turn to increase their stocks. This would lead them to compete with each other with added energy for the purchase of commodities from the producers. Thus the producers would be able to obtain an increased price for the products of their industry. But when these went to spend their increased earnings they would find that the price of everything they wished to purchase had risen, and that although they had more money than formerly they could not obtain more articles for consumption.
The ultimate effect, then, of the increase of money is simply to increase prices more money has to be given for the same satisfaction. Wage earners find themselves in possession of a greater amount of money, from which they undoubtedly derive some temporary advantage, for wages don't rise uniformly all at once, but the larger portion of the benefit of the increased wages is taken away by the upward movement of prices which quickly asserts itself. The benefit, again which the rise in prices gives to the retailer is largely taken away by the increased price he has to pay to replenish his stock. The benefit of this to the wholesale dealer is taken away by the increased prices he is obliged to pay the producer. This last, in his turn, loses the benefit of the increased price by finding that the purchasing power of his larger quantity of money has per unit diminished.

In the process of this diffusion of enhanced prices individual fortunes may be made, and trade will be brisk. Indeed, production may in some degree be stimulated, and the advance in prices slightly checked. There can be no doubt that a gradual increase is the volume of the circulating medium has a distinct tendency to impart vigour to industry for a time; but depreciation, with all its evils, cannot be long held back. When the process of diffusion is complete industry will settle down to its normal condition, with prices at a permanently higher level. Everybody will receive more money, but everybody will have to give more money for everything purchased.

If, now, the country with the level of prices thus raised is engaged in commerce with other countries, the high prices will attract foreign commodities. The outcome of this attraction has already been indicated, but its relevancy here makes a passing note advisable.

Exceptionally high prices in a country invariably encourage imports and discourage exports. Local producers will not send their goods to foreign countries if the home market offers higher prices. The necessary result is obvious. Goods will come in but goods will not go out, consequently money must go out in payment for the goods imported. In that way the country with high prices will have its money drained away until prices are reduced to the same level as in other countries, making allowance for cost of freight, etc. Thus, if one country has an excess of money, as shown by excessive prices, foreign trade will draw away the excess and distribute it over the world.

But what, it may be asked, has this to do with a State Bank and paper money? A moment's reflection will show its close relation. The advocates of a State Bank, or many of them, draw their enthusiasm from their belief in its efficacy to manufacture paper money without cost, and thereby increase the community's wealth. They believe that the railways of New Zealand could be built for nothing if only the Government would pay the men's wages in bits of inconvertible paper, and compel storekeepers landlords, etc., to take them in payment for groceries and rent. The Government would then be independent of the British money lender, public works would be constructed, and nobody would pay for them.

The foregoing argument, however, indicates clearly the effect of such a course. Instead of paying in money already in circulation the Government would pay in new additional money issued for the purpose. The amount of money in circulation would thus be increased and prices would commensurately be increased. The position would be: all the money that was formerly in existence would be offered in purchase of goods, and, in addition the money which the Government had paid away in wages to workmen engaged on railway construction would be offered for goods. But the work of building a railway would not increase the supply of articles ready for consumption. The supply of these articles would have remained the same, but the demand for them would have increased. Hence the price of them would increase. If then, as the result of the Government's action, the general level of prices was raised, the artisan would find that his weekly wage would not purchase as much as formerly. He would discover that the building of the railways for nothing involved the curtailment of his purchasing power. "The effect would be exactly the same as though the Government had levied a tax on him to provide for railway construction. If it had taxed the commodities he consumed it would have precisely the same effect in increasing their price."

The impossibility of constructing public works in some magic way by the multiplication of money appears from another consideration. Whilst the work of construction is in progress, those engaged upon it are not producing anything which can be con-Mimed or can satisfy any immediate want. They must be fed and clothed and housed by the labour of others. All the time the railway is in building, the workers are being sustained by the consumption of the products of the efforts of other men. In order that the railway may be built, those engaged in producing the food and clothing for the community must produce an extra quantity for the railway workers. The mere fact of giving to the latter bits of paper does not give them anything whereby they can support life whilst constructing the railway. What it does is, by increasing prices, to force all persons with fixed money incomes or wages to forego a portion of their consumption for the benefit of those employed on the railway. It is tantamount to a forced loan. There is in short, no royal road to wealth.

This conclusion finds abundant confirmation from history. The United States provides many examples. Massachusetts was the first State to try the expedient of meeting financial embarrassment by the issue of a paper money. In 1690 she embarked upon an expedition against the French in Canada, and, being in straits for
money she paid her soldiers in paper. The amount not being excessive, the effect on prices was not very marked. The apparent success of the device of Massachusetts emboldened Connecticut to adopt the same course. She disdained, however, all restraints upon the issue of her paper. Whenever she wanted to make a payment, she printed a piece of paper and made her creditor accept it. Issue after issue followed in quick succession. In consequence, prices rose, or money depreciated, more and more. In 1710 an ounce of silver was worth 8s in paper, in 1724 it was worth 15s, in 1739 26s, in 1744 32s, in 1749 60s, in 1755 88s. Trade was embarrassed and the utmost confusion prevailed. Credit was almost at an end. No guide remained for estimating the future value of goods.

The experience of Rhode Island was still worse. In 1766 £185 of paper money in the State was worth £100 in London. In 1749, after enormous issues of paper, £100 in London would purchase as much as £1,000 of paper money in the State. The disasters which fell upon the American States through the issue of inconvertible paper money were so great, that, under the Constitution of the United States, the issue of paper money of any kind by the individual States is prohibited.

The calamities which follow over-issue of money were still more marked in the case of the French assignats. These pieces of paper actually represented property. They were issued against ecclesiastical property which the Government had confiscated. The property was assigned as security for the notes. But it makes no difference whether notes have property behind them or not. In either case over-issue will bring about the same result. As the millions of notes were poured into circulation, the depreciation went on apace, although the money was based "unshakeably" on the only real property, the "sole source of production, the soil on which we tread." The factories of the country were closed, vast numbers of workmen were thrown out of employment, yet hundreds of millions of pounds of money were put in circulation yearly. The trouble was capitalists dared not embark in industry; the changes in prices were so sudden and extreme. "Commerce was dead, betting took its place." An assignat professed to be worth £4. At the last it would not purchase as much as could be purchased by 3d before assignats were issued. The truth stands out unmistakably—by increasing money wealth is not created mere jugglery with money can't create wealth. It may transfer wealth from the pockets of one man to the pockets of another, but, it has no power to make an addition to the world's stock of goods that can be consumed and enjoyed. Nothing but the expenditure of human energy on the resources of nature can promote the lasting prosperity of a people. The belief in the efficacy of inconvertible bank notes, issued by the State, to perform what their advocates claim for them is a delusion finding no support from the first principles of banking or from the experiences of the past.

Indeed, the statement once made by a great financier hardly seems exaggerated: "That of all the contrivances for cheating the labouring classes of mankind, none has been more effectual than that which deluded them with paper money. It was the most effectual of inventions to fertilise the rich man's fields by the sweat of the poor man's brow."

It is not difficult to see that an over-issue of paper bringing about depreciation of its value, and a consequent rise of prices, is detrimental to the working classes. It lessen, their purchasing power. It is extremely unsettling to business generally. In a time of rapid depreciation capitalists are loath to advance money on industrial enterprises. A man loses all security for adequate purchasing power a week later. A depreciating currency enables borrowers to pay back their loans with less purchasing power than they received. Vice versa, the lenders receive less than they parted with.

But why is paper more liable to depreciation than gold? There are two reasons. The world's supply of gold can only be increased by the expenditure of labour in the mines. Gold is the product of toil like any other commodity. The difficulty of getting it imposes a real limit upon its over-abundance in circulation. Besides, if gold were to depreciate greatly as money, it would be used more extensively in the arts for ornamental and manufacturing purposes. This alone would absorb surplus quantities, and prevent serious depreciation. Paper money, on the other hand, can be increased in quantity without any increase in cost.

The second reason is found in the non-exportability of paper. This is the vital characteristic of an inconvertible currency. International trade distributes metallic money evenly over the world. No country can retain a quantity of metallic money greater than its commerce entitles it to. As the general level of prices is determined by the quantity of money (qualified of course, by the rapidity of its circulation and the extent to which credit prevails), if one country, considering the number of its exchanges, has more than other countries, prices in that country will be higher than they are in other countries. The high prices will attract goods of other countries, and will discourage the export of goods to those other countries, for goods will not leave a country where prices are higher to go to countries where prices are lower. The effect will be that the country with high prices will have to send its gold out to pay for the goods imported. This export of gold will continue until the level of prices is reduced to that in other countries, after making allowance for freight, charges, etc. Thus the excess of metallic money will be drawn away by the action of commerce.

But such a process is impossible with paper money. Its amount is not subject to regulation by the law which...
distributes metallic money over the world. Its essential feature is limitation of circulation. The paper money of one country is absolutely use-less in another country. It cannot circulate beyond the boundaries of the country issuing it. Possessing no intrinsic value, foreigners will not accept it in payment for goods or in discharge of obligations. Consequently an excess of issue cannot be cured by foreign trade. Where a country has superseded gold by inconvertible paper, and issued it excessively, there is no remedy whereby the inflation of prices may be checked. Here lies the peculiar defect of an inconvertible currency. It is useless in effecting international exchanges. As prices become inflated exports of goods stop, and imports are encouraged. But the latter, too, must soon stop because there is no gold with which to pay for them, and goods will not be exported, seeing that merchant never pass a market where high prices prevail for one where prices are low. Hence foreign trade, which under a metallic currency redresses the evils of a redundancy of money, is impotent in this case.

It is true that trade between nations is essentially that of barter. Nevertheless, gold is in constant use for the adjustment of balances. It is universally acceptable, because of its intrinsic value because of its preciousness as a commodity apart from its use as currency. So that a country with a relative scarcity of metallic money will, by its low prices, stimulate export and discourage imports, thus drawing upon the world's supply of money to meet its deficiency. The monetary crisis through which the United States is now passing is an illustration of this. The phenomena are there observable of falling prices in the home market and inflowing gold from abroad. So a country with a relative abundance of money will not send goods out in payment for imports, but money. In the light of this effect of the operation of trade, it is not difficult to understand how a country with a metallic currency is immune from the calamities which so often befall the country with inconvertible paper.

For this reason it has become an orthodox article of faith in banking that paper should always be convertible into gold. When a person can at will take a bank note to the issuing bank and demand gold to the amount of its face value, it cannot possibly depreciate more than gold. Convertibility is the safeguard against depreciation.

Nevertheless, the advocates of a State Bank have solid ground to stand on. As is often the case, the intuition of the messes on this question is right, although the reasoning by which they affect to support it is unsound. A State Bank with the prerogative of issue of inconvertible notes will not perform miracles; but it will enable gold, the costliest of money, to be supplanted in the internal commerce of a country by paper, the cheapest of money. This process of displacement, by driving the gold abroad in purchases of foreign goods, will indirectly enrich the country. Indeed while this movement is in progress, the State is practically obtaining loans free of interest. When a country like New Zealand borrows £1,000,000 for railways in London the loan arrives mostly in the shape of railway material or other commodities ready for consumption. On this loan she has to pay interest and underwriters charges. If, instead of raising such a loan, she issued £1,000,000 of bank notes local prices would be raised, foreign goods would be attracted, and local gold would emigrate in payment. In short, the issue of £1,000,000 of bank notes would drive £1,000,000 of gold coin abroad, which would purchase the goods for which the loan was raised. This result arises from Gresham's law, which has been so often adverted to and illustrated, although not before named The saving of interest is obvious, and it is equally obvious that no serious damage to industry will take place so long as gold is going out of circulation as paper is coming in.

The export of gold prevents any pronounced depreciation of the currency. The evils of a paper currency arise when further issue are made without any corresponding displacement of metallic coin. Then every successive issue brings aggravated distress.

The dangers, then, incident to incontrovertible paper money may be conceded, and yet a strong ease made out for its use. It satisfies the needs of internal trade as well as coin. Why, then, should we go to the infinite trouble of digging gold and silver out of the mines to be used in effecting domestic exchanges when bits of stamped paper will serve the purpose with equal efficiency? There is really no reason at all apart from the fear of over-issue. If a sufficient gold reserve were kept for the purpose of adjusting balances in the commerce of foreign countries, and if the issue of paper were strictly limited to the needs of a country, we could dispense with gold for internal commerce not only without loss, but with gain. The cardinal objection to an incontrovertible currency lies in the unreliability of Governments. If they could be trusted, under all circumstances to resist the temptation to overcome temporary financial embarrassment by excessive, issue of paper, an inconvertible currency for internal exchanges would be ideal. It would be so cheap. But, as Walker says, vigilance must never be relaxed. "The prudence and self-restraint of years count for nothing, or count for but little, against any new onset of popular passion or in the face of a sudden exigency of the Government. A single weak or reckless Administration, one day of commercial panic, a mere rumor of invasion, may hurl trade and production down the abyss."

The substitution of £1,000,000 worth of bank notes for £1,000,000 worth of coin to be used in internal trade would augment a country's riches or store of consumable articles. Paper that cost nothing would do the work of the gold, and the gold would purchase commodities abroad. The practical question, however always forces itself forward: Will Governments ever exist which are proof under all emergencies, against the
temptation of overissue of this money which is so easy of multiplication?

This is the only danger. If adequate provision can be made for it the ease for a State Bank stands triumphant. It must be admitted the functions of banking have a peculiar fitness for exercise by the State. They are of such a kind as to necessitate, under all conditions, the intervention of Government control. The issue of bank notes is everywhere subjected to rigorous regulation. Indeed, there is a growing body of opinion amongst competent authorities that the issue of paper, whether convertible or inconvertible, should be as much the prerogative of the Crown as the minting of coins. When, in addition to this, account is taken of the fact that banking partakes largely of the nature of a monopoly that a metallic currency is costly and not inherently necessary for home commerce, the advocacy of a State Bank is shown to have a rational basis. If it is right that the State should entrench upon the domain of private enterprise at all, banking might well be among the first undertakings to engage its energy.

But let it never be forgotten that, in taking over banking, the State is not getting control of machinery which will construct its public works or discharge its obligations for nothing. No miraculous way is opened of growing rich without effort. Money cannot be increased ad infinitum without burden to the community. A certain amount of money is needed for effecting exchanges with ease and rapidity. Any amount in excess, by increasing prices lessens the purchasing power of money. It partakes, in short, of the nature of a forced loan. A recognition of this limitation will save the zealots for a State Bank from pursuing it as a solutions of the problem of poverty, unemployment, and insufficiency of wages. It does not touch these problems at any vital point. It is not a radical reform; established, the roots of social difficulties would remain unaffected. It has no more potency to redress the inequalities of society than the regulation of industry. Come it must and with benefit to the State; but if progress does not run along other lines, as well, our economic and social problems will stand as gigantic, as importunate, as puzzling as ever. Having exploded the belief in the infinite capacity of a bank to create money our way is clear of another obstruction.

Chapter VI.

Socialism.

Socialism is a much-abused term. The stubborn antagonists of innovation use it as an epithet of malignity by which they affect to dispose of any proposal of reform they are incompetent to meet with reason. The name has gotten such an evil savour that often the mere branding of a movement as Socialistic is sufficient to condemn it. Again, we are told that Socialism is so vague and fugitive in its meaning as to be insusceptible of precise definition. "What is Socialism?" men derisively and triumphantly ask as though an intelligent answer were impossible.

Socialism, notwithstanding, has a definite aim; it is directed against a definite evil; and has a definite method. Its object is to reorganise society on a basis of co-operation instead of competition. It proposes that the whole people, as represented in the State or the municipality, shall control all the means of production, distribution, and exchange; that private property in the great material instruments of production shall be abolished, and collective property substituted therefor; that land, machinery, and capital, in all its forms, shall be employed not for the profit of individuals but for the benefit of all.

For the justification of this reorganisation of industry we are pointed to the failure of individualism. The evils of unrestricted competition cannot be gainsaid. Under it some men have to work too hard, some need not work at all, and others cannot get work however earnest they be in its search. The toilers (the producers) are poorly fed, poorly clad, and poorly housed. Capitalistic production seems to enrich the non-producers. It involves prodigal and frightful waste. Especially is this characteristic of the distributive industries. In all cities there is a redundancy of retail shops. The requirements of the public could be served with one-tenth of the number if organised with a view only to the common interest. It is estimated that England spends £90,000 a day in advertising alone. The elimination of competition would indeed effect saving in numberless ways. The vast class of agents and middlemen would be turned into productive industry. The services which the community requires of the legal profession, for instance, would be supplied by half the number at present engaged in it, and at less than half the cost. "Undoubtedly Socialism stands for many and far-reaching economies. By making service to the community the foundation of the enjoyment of the fruits of labour, it would compel all able-bodied persons to work. Once for all, it would end the possibility of living by the labour of others. The rich, who don't want employment, and the poor, who can't get it, would reinforce the ranks of the producers. The stimulus to production would be incalculable.
The present system lamentably fails to develop a country's resources to their utmost. There seems no reason to doubt the statement of Prince Kropotkin in "Fields, Factories, and Workshops," when he says:—

"If the soil of the United Kingdom were cultivated only it was cultivated thirty-five years ago, twenty-four million people could live on home-grown food.

"If the cultivable son of the United Kingdom were cultivated as the soil is cultivated on the average in Belgium the United Kingdom would have food for at least 37,000,000 inhabitants.

"If the population of this country came to be doubled, all that would be required for producing food for 80,000,000 inhabitants would be to cultivate the soil as it is now cultivated in the best farms of this country, Lombardy, and France."

It would be better for the United Kingdom to feed her people than to develop a vast over-sea commerce. The curious spect [unclear: acts] is now presented of a mighty nation straining every nerve to capture foreign markets, when hungry stomachs, ill-clad backs, ill-furnished homes, indicate countless unsatisfied material wants amongst its own people.

The present system fails to recompense its wealth producer. Quoting from Robert Blatchford's "Britain for the British," we have it that:—

"One-half of the wealth of the nation is held by about 25,000 persons.

"About 30,000 persons own five-sixths of the land and capital of the nation.

"Two-thirds of the national income is taken by 5,000,000 people, half of whom do not work at all while 35,000,000 people only get one-third.

"Out of every thousand persons, 939 die without leaving any property worth mentioning.

"Twenty millions of our people are poor."

"Our cities," says Ruskin," are a wilderness of spinning wheels yet the people have not clothes. We have blackened every leaf of English greenwood with ashes, and the people die of cold; our harbours are a forest of merchant ships, and the people die of hunger." So John Stuart Mill questioned whether all the mechanical inventions had lightened the day's toil of any human being. He was neither Socialist nor Communist, yet so dissatisfied was he with the results of unrestricted individualism that he wrote the following:—

"If therefore the choice were to be made between Communism, with all its chances, and the present state of society, with all its sufferings and injustices; if the institution of private property necessarily carried with it as a consequence that the produce of labour should be apportioned as we now see it, almost in inverse ratio to the labour—the largest portions to those who never worked at all the next largest to those whose work is almost nominal, and so in a descending scale, the remuneration dwindling as the work lows harder and more disagreeable, until the most fatiguing and exhausting bodily labour cannot count with certainty on being able to earn even the necessities of life—if this or Communism were the alternative, all the difficulties, great or small, of Communism would be but as dust in the balance."

Now, how does Socialism propose to proceed in the attainment of its end? Its method is evolutionary, not revolutionary. Anarchists, no doubt, have been called Socialists, but their attitude is at variance with the teaching of modern Socialism. Such recent writers as Kirkup, Macdonald, and Keir Hardie maintain that Socialism springs naturally out of the past. It is the next stage, we are told, in the progress of society. It was essential that individualism should precede it to break up the system of caste and class privilege. The vast scale upon which industries are organised in this age is looked upon as the immediate preparation for the overthrow of private property. Competition is exhausting itself, and leading to co-operation everywhere. The spirit of individualism has departed from the industrial organisation. The method of Socialism, in fact, prevails in production. How small a part of the labour of a modern community is done by persons working for themselves! "From the Irish reaper or hodman to the Chief Justice or the Minister of State, nearly all the work of society is remunerated by day wages or fixed salaries." As Mill truly says: "A factory operative has less personal interest in his work than a member of a communist association, since he is not like him, working for a partnership of which he is himself a member."

Any modern factory reveals the fact that co-ordination is the characteristic of modern industry. Men gather together in multitudes, divide the tasks among them, and generally co-operate to one end. The benefit of this socialisation of production accrues however, to capitalists and landowner. It is claimed that the next step is to socialise the products, as well as the method of production.

If competition is the justifying principle of the present system, then it will have difficulty in upholding itself. Industry everywhere is organised on the co-operative plan. Trusts and combines everywhere lift themselves above the influence of competition by crushing out their rivals. The age is full of the doings of monopolies. They are wrapping their tentacles round every branch of production and distribution. Private enterprise, when it becomes monopolistic, ceases to be enterprising, and cannot be made so by regulation. State intervention is becoming imperative. The State manages monopolies with greater safety and efficiency and at less expense than private corporations. Its aim is to secure serviceableness to the community rather than large
The rapid and fundamental changes, which industry is undergoing, the barely tolerable burden of trusts, the submerging of old landmarks, the accentuation of class antagonisms, the growing numbers of those distinguished by conspicuous leisure and conspicuous consumption, are all claimed as leading to Socialism and the disappearance of the individual struggle for existence.

Benjamin Kidd wrote "Social Evolution" to demonstrate that Socialism is at variance with the principle underlying evolution and consequently must fail. "True Socialism," he said, "has always one definite object in view up to which all its proposals directly or indirectly lead. This is the final suspension of that personal struggle for existence which has been waged, not only from the beginning of society, but in one form or another from the beginning of life." He points out how all nations have been cradled and nurtured in ceaseless war; how the road by which man has come is strewn with the wreck of races and civilisations. The elimination of competition, of industrial and commercial rivalry, which Socialism would effect he fears would bring about decadence and race suicide.

But Socialism would not extinguish combat. Man is something more than an animal, and if the struggle for animal existence were suspended mind would be freer to measure itself against mind, and spirit to contend with spirit. Struggle, we know, is the condition precedent of progress, but the struggle for bread and shelter which now absorbs the energies of the greater portion of mankind is inimical to man's mental and spiritual progress.

Drummond has grasped more truly the principle of social evolution. "War," he says, "is simply the modern form of the struggle for life. As the higher qualities become more pronounced, and their exercise gives more satisfaction, the struggle passes into more refined forms. One of these is the industrial struggle. Another is the moral struggle. The former of these must give place to the latter. The animal struggle for life must pass away. And under the stimulus of ideals man will continually press upwards, and find his further evolution in forms of moral, social, and spiritual antagonisms."

It is quite possible, therefore, to argue, as modern Socialists do, that Socialism is a phase of the evolutionary progress. They have, consequently, abandoned all attempts to introduce it by force or revolution. They insist that it must come by gradual change. It is a growth from the acorn to the oak. They look with keenest satisfaction upon the progress of Municipal Socialism and upon the steady advance of State Socialism in the Australasian colonies.

Municipal enterprise in the United Kingdom during the past twenty-five years reads like a romance. Here is what R. B. Suthers, a leading authority on the subject, says of the City of Glasgow:—"A citizen of Glasgow may live in a municipal house. He may walk along the municipal street or ride on the municipal tramcar, and watch the municipal dust-cart collecting the refuse, which is used to fertilise the municipal farm. Then he may turn into the municipal market, buy a steak from an animal killed in the municipal slaughter-house, and cook it by municipal gas on a municipal gas stove. For his recreation he has the choice of municipal libraries, municipal art galleries, and municipal music in the municipal parks. Should he fall ill, he can ring up his doctor through the municipal telephone, or he may be taken to the municipal hospital on the municipal ambulance by a municipal policeman. Should he be so unfortunate as to get on fire, he will be put out by a municipal fireman, using municipal water, after which he will, perhaps, forego the enjoyment of a municipal bath, though he may find it necessary to buy a new suit in the municipal old clothes store.

A Parliamentary return issued in 1903 established the fact that municipal enterprise "pays" in the commercial sense. It gave particulars of the most important undertakings of the municipal boroughs of England and Wales. The total amount of capital invested was £121,172,372; the average annual net profit was £4,812,005. Waterworks averaged a gross profit of 4 per cent.; gasworks, 7 per cent.; electricity supply, 4 per cent.; tramways, 5 per cent.; and markets, 7 per cent. In addition the price of the supply of these conveniences was reduced and the rates relieved.

The advantage to the community of municipal, as compared with private, management is most marked. Take the following figures from Garche's "Manual of Electrical Undertakings, 1901-2:—

Thus the municipalities charged more than 25 per cent, less for current, while their profits were only 14 per cent, less than those of the companies.

Examples of this kind can be given without limit. The City of Glasgow has a better tram service than the private company formerly provided, the fares are from 30 to 50 per cent. lower, the men work four hours a day less, and get from 5s a week more wages and free uniforms. Besides, the capital invested is being gradually repaid out of the receipts, and in thirty years the tramways will be free from debt.

"The Reformers' Year Book, 1907," shows that municipal trading has been successful almost without exception. Sixty towns reduced their rates over 2d in the £, twenty under 2d. From the profits of its municipal undertakings Leeds was able to reduce its rates 8½d. Manchester 8d, Liverpool 1s, Stockport 1s 3½d.

In the face of this uniform success, municipal enterprise will not fail to advance into other fields of industry. Its advocates are now pressing for the public supply of the necessaries of life as well as the conveniences. If
water is supplied, why not bread; if lighting, why not clothing? So far, however, municipalities have only undertaken those industries which are in their nature monopolies. The same success may not attend it in those departments where competition already protects the interests of the consumer. The only defensible position probably is that public control in the monopolistic and private control in the competitive field will produce the best results.

Another movement of Socialism which is destined to grow to large proportions is what is technically known as co-operation. In the sphere of distribution this has been remarkably successful in England. From the Rochdale Pioneers, who started with a capital of £28, and opened a small store for the "supply of a few common articles for consumption of their families," there has been a rapid development. In 1905 there were 1,457 societies, with a total membership of 2,153,185 and with profits for distribution amounting to £9,559,238. Productive co-operation has not fared so well. Since the united coal-miners of South Yorkshire lost all their savings in the purchase of the Shirland collieries in 1874, the organisation of societies for co-operative production has not greatly flourished.

The advantages hitherto obtained from public ownership and management—from Socialism, in short—cannot, be disputed. The benefits of extended ownership will possibly be greater. He were a bold man who would assign a limit to municipal activity. This is the channel in which the stream of Socialism seems destined to flow during the present century.

Having examined the potentialities of Socialism, having indicated the method it employs and the direction in which it moves, the question which this chapter is designed to answer may be put: His Socialism any virtue to solve for this generation the social problems which confront it?

The answer must be "No!" Socialists assert that gross injustices and inequalities will continue until land and all the material Loans of production are under public ownership. But how do they propose to compass their end? All schemes of revolution have been abandoned. Confiscation has been ruled out of court. Gradually Socialism is to arrive. But progress is retarded by a most important factor, the land, the factories, and the machinery have to be purchased. The capital value of the land of the United Kingdom is estimated at £6,000,000,000. The purchase by the State or the municipalities of this agent of production alone represents a financial undertaking of unprecedented proportions. Here in itself is the work of generations of Parliaments. And, in the meantime, social problems will grow more acute despite the enlargement of municipal activity.

In arguing the case for municipal management, Suthers remarks upon the capacity of the landlord to absorb the largest measure of the benefit. He says:—

"For example, of the 370 millions of municipal debt owing in England and Wales in 1902-3, nearly 44 millions were invested in highways and street improvements.

"Who benefits by street improvement? Who pays for them? We, the ratepayers and taxpayers, pay for them. And when we have paid for them, the landlords who own the lands and shops and houses in the streets raise their rents. We pay for the improvements, and then we pay a fine to the landlords for improving-their property."

Or, again: "The land value of London is £16,000,000 a year, and is increasing daily. This value is due to the presence and industry of the large population living in London. The landlords have not created one single pennyworth of it.

"Here is a shop in the Strand. A shop! It looks more like a rabbit hutch. Measure it. Width, 9ft; depth, 18ft. What is its worth? What would it be worth in the middle of Essex? About 2s 6d a week. The rent of the Strand shop is £500 a year Ten pounds a week! Eighty times as much as the same space would be worth in Essex!

"What is the cause of the difference in value? In Essex there are few people. In London there are millions. Did the landlord make the people and bring them there? No, he didn't. . . . Did the landlord pay for the widening and improvement of the Strand, which made it a convenient street for traffic and marketing? No! The ratepayers paid, and are paying, for the improvements. The landlord sits still and smiles and draws the profits."

The above is from the pen of a Socialist, bemoaning the way in which the public are cheated of the benefit of municipal expenditure by increasing rents. It puts a finger upon the vital cause of our social distress. Yet the only remedy the Socialist offers is the buying of the land—a task so colossal as almost to be impossible.

Socialism has made considerable strides, and much betterment has resulted, but it possesses no power to touch the root of our social evils within a period which this generation or the next will cover. This is acknowledged by such an eminent Socialist as Kirkup, who, writing in 1900 the 'History of Socialism,' said: "Socialism, therefore, is for the most part a theory affecting the future, more or less remote, and has only to a limited degree gained a real and practical footing in the life of our time."

But the toiling, burdened masses of this generation want hope. They clamour for relief and redress in the present time. They cannot be comforted with the anticipation of the millennium for then children's children.

It is not so much that Socialism is running in the wrong direction, as that it is travelling the longest road to its goal. It has not a sufficiently clear perception of the relative proportions of our social problems. In its efforts to burst asunder the integument of capitalism, to sound the knell of capitalist private property, and to
expropriate the expropriators, as Karl Marx, emphatically puts it, it neglects the permanent distinction between land and capital. Its error lies in supposing land an instrument of production in the same way as a machine or a factory. The return to capital may be excessive, the organisation of industry for private profit may aggrandise its promoters at the expense of the worker; but, after all, capital and organisation have enormously increased the productiveness of labour. Interest and the emoluments to organising ability are not altogether an unearned increment. For the rent of the unimproved value of land, however the landlord renders no service whatever. The paramount enemy of Labour is growing land values. Against this; Socialism has no weapons of immediate warfare. The solution of the most colossal problem of all it postpones indefinitely. It pours out its energy in securing small instalments of reform which bring to the masses a scarcely appreciable increase of the products of labour, whilst they enlarge the gains of idle landlordism.

Chapter VII.

Distribution.

The false lights of many popular but erroneous theories having been extinguished, the mind is open to the light of reasonable guidance afforded by first principles. Our enquiry has led us to condemn every proposed measure of reform which would slacken the energy of production. The most particular insistence has been laid upon the folly of pursuing the millenium along the lines of embarrassed and lessened productivity. At every turn the examination has pointed to the department of distribution as that in which reforming zeal must employ itself. Not that the conditions under which production is carried on are incapable of improvement. The chapter on Socialism has indicated the extensive waste of effort to which the present competitive system subjects society. The possibilities of co-operative enterprise and municipal enterprise have been pointed out. Indeed quite a multitude of expedients might be suggested for diminishing the widespread waste. Any reform which will enlarge a nation's productive capacity is sound and urgent. Whatever facilitates exchange and transportation, whatever economises effort or utilises by-products, whatever strengthens the body, gives moral grit, or adds resources to the mind; whatever, in short, stimulates productive energy and multiplies its fruits should command the support of every well-wisher of his country. Therefore, let the arms be opened wide to labour-saving appliances. Let Labour rejoice at every invention and discovery which shifts more of the burden of toil upon the shoulders of Nature. Let the nations shout an eager welcome to the science which teaches men to harness the rivers and tides and air, that these may draw the world's loads, animate its workshops, illumine its darkness, and propel its engines of locomotion. Let educational activities be multiplied until industrial equipment is carried to its highest point of efficiency. Whilst man's capacity to consume and enjoy wealth retains its illimitability the volume of production cannot be too large.

Attention must now be directed to the shares of the national output obtained by the three factors of production Land, Labour, and Capital—and an analysis made of the laws which determine the relative proportions of those shares. Land will be first dealt with.

In most books of economics, land is made to embrace in its meaning all natural agents of production, such as air, rivers, and mines. The leading idea to grasp in distinguishing it from other factors of production is that it is passive. It furnishes the material upon which Labour and Capital expend themselves. These fashion what Nature supplies into articles ready for human consumption. Land represents Nature's part in production as distinct from man's. It is the passive, man the active, factor. Sometimes land is regarded as private wealth. When so regarded, it must not be forgotten it is wealth by mere appropriation, not by creation of industry. It is not the product of man's labour or capital.

The mind must be fortified here against misconception arising from the loose, indefinite meaning given to the term land in popular phraseology. Land, in the popular acception of the word, is usually made to include the improvements effected upon it by human labour. Thus, when we speak of the value of farmer's land, we commonly include the value of the buildings upon it and the improvements wrought in the soil. This wide use of the term is due probably in some degree to its legal signification In our system of law, to transfer land is to pass the ownership of all that is fixed upon the land or is beneath it. But its meaning must he narrowed before any clear ideas of economic principles can be gained. Speaking in the language of economics, land comprises nothing which is the outcome of labour. It denotes the gift of Nature, and that only. So when the value of land is the subject of treatment, whatever value is due to the expenditure of Labour and Capital must be carefully distinguished from the value of the natural agent. If bogey land is drained, the value added by drainage represents the results of industry, and cannot be regarded as the value of land in its economic sense. No doubt
the greatest difficulty is experienced in separating the unimproved from the improved value. Certain kinds of improvements, after the lapse of years, become merged with the soil and are indistinguishable from it. Despite the practical difficulties here and there, however, the economic conception is a just one. There are three grand factors in production—Nature (or Land), Labour, and Capital. Their separation must be rigid, and each examined in isolation, if true conclusions as to their telationship are to be obtained.

In determining the share of the produce of these three factors which accrues to land, an analysis is needed of the causes which give value to land. Value signifies not utility, but general purchasing power. Air has the highest utility, but strictly has no value in that it cannot be bought and sold. By value is meant exchange value, or the power of purchasing other goods, or being converted into money, which is general purchasing power.

What gives this exchange value to land, while air, whose utility is certainly equal, has none? Why should land, a gift of Nature be a marketable commodity? Its value arises from its being limited in quantity. Being so limited, great advantages arise from its ownership. Were land as plentiful as air, then, although a man entered into possession of a large tract of it, no value would arise whilst there was abundant land remaining free to satisfy the needs of all those who wanted it. Land could have no value giving it power to purchase other things if anyone could get as much as he wanted without paying for it. It is the limited supply of land which gives it value. Indeed the value of land arises from the operation of the general law of supply and demand. The supply has been fixed by the Creator for all time. The infinitesimal additions made to the aggregate quantity of the world's land by reclamation from the sea or rivers can be ignored. Anyhow, reclaimed lands are rather to be regarded as products of labour than as gifts of Nature.

Now, although the supply is rigidly fixed, the demand greatly varies. As a general principle, it may be laid down that demand varies directly with population. The demand for land arises from the people's need of it for productive purposes. Therefore, other things being equal, an increase of population will intensify demand, and vice versa. The truth of this statement is borne out by abundant evidence. Look where we will, we find it exemplified. In new countries, where population is sparse and land relatively abundant, land values are low. Land upon which the city of Wellington in New Zealand now stands was a little more than half a century ago purchased for 2s 6d an acre. At that time the population of the Dominion numbered a few thousands; the demand for land was meagre, the supply ample; consequently land bad little or no value. But with every step in the increase of population there was an increase in land values. The two were concomitant. And to-day land formerly sold for 2s 6d an acre is valued at upwards of £200 a foot frontage. Land is more valuable in the town than in the village, in Melbourne than in Wellington, in London than in Melbourne, because more densely peopled. Land values are the economic barometer, indicating with infallible regularity fluctuations in population. As a country progresses, the demand for land increases, and as the supply cannot be augmented, the value rises. A country's advancement is registered with unfailing accuracy in its land values.

The discovery of the cause which determines land values enables us to ascertain the share of the national output which land will be able to secure. This share is generally spoken of as rent, and rent bears the closest correspondence with land value. The term rent of course, must be used in the same restricted meaning as land. In popular language, rent invariably includes the rent. Economic rent is limited to the latter. As land values rise or fall, the rents must rise or fall, for rent is nothing but the annual value of the capital value. The argument leads then to this conclusion: in young countries, sparsely populated, land values being low and rents low the share of the produce of the factors of production accruing to land is small. The greater part of the produce of these three factors which accrues to land, rent bears the closest correspondence with land value.

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Rising land values do not cause or contribute to prosperity. They are the result. They measure prosperity; they do not promote it.

A railway is projected into a district hitherto inaccessible; its land of the district at once rises in value; men are eager to purchase farms; demand, once sluggish, is now active. The land has not changed, but the demand for it has changed, because that product of labour, the railroad, has made the fruits of it available to merchants.

An electric tram car draws a distant suburb near the centre of a large town: immediately business men clamour for suburban homes. The exigencies of their occupation would not have permitted it but for the power of electric propulsion to annihilate distance. The demand for suburban land is increased by that product of labour, the electric car; and land values sensitive as quicksilver, increase pro tanto. The utility of the electric car finds its measurement in land values. There in Arizona and the Central States of North America is a wilderness of desert and boulder, miles and miles of it, millions of acres valueless, not worth possessing; the possibilities of irrigation are discovered: the Sahara bursts into fertility at the magic touch of water; at once men stream into the desert, dam up rivers into reservoirs, make canals, and dig ditches; now the once valueless land is keenly competed for; all the foreseen possibilities of the watered sand are measured in
the value of the unwanted sand. As soon as it is discovered that the desert can be reclaimed before any work of irrigation has commenced, the land acquires value. Land values show that there is a demand, actual or prospective, for land, and that the supply cannot expand with the expansion of the demand.

Herein it differs fundamentally from all other things which have exchange value. If the demand for pianos was rapidly to increase from any unanticipated cause, the price would rise also, but instantly there would be set in operation the machinery of Production to increase the supply of pianos proportionately to the demand. With respect to all commodities which are the product of labour, the law may be laid down that their price, or exchange value, tends to approximate to the cost of their production. When the price is much above, profit, are abnormally high; the high profits attract Labour and Capital until the supply is so far increased as to cause profits to fall to normal. An unusually high price for wheat one season, due to an enhanced demand which seems likely to be permanent, induces farmers to grow more wheat for the following year, and the increased supply reduces the price. The normal price of any article is its cost of production, including, of course, average profits. Where in any industry the price of its products falls below this, Labour and Capital tend to leave that industry for more profitable fields. When the price rises above it there is a tendency for Labour and Capital in less profitable industries to be diverted to the more profitable one. Prices always fluctuate about this normal level of cost of production.

But not so with land. Land is not produced by labour, and cannot be increased by it. Consequently the price-raising property of increasing demand cannot be counteracted by the increase of supply.

The difference between land and the products of labour is well brought out by economists in their statement of the opposition of the Laws of Increasing Return and Decreasing Return operating in modern society.

The Law of Increasing Return governs the supply of practically all commodities produced by labour. Concisely put, it is this: The greater the demand for a commodity, the larger the scale upon which it can be produced; the larger the scale of production, the more machinery can be specialised and the more economies can be secured; the greater the economics, the less the cost of production, so that as the scale of industry is enlarged the return is increased more than proportionately. Boots can be produced cheaper in a large factory than in a small one. The large factory can use more elaborate and more specialised machinery, and can carry the division of labour to the point of perfect economy; buying its raw materials in larger quantities, it can buy cheaper; indeed, it can adopt innumerable economies to lessen the cost of production which are not available in the small factory. The more extensive the scale of production, the cheaper the product can be marketed. And the scale upon which an industry is carried on depends upon the demand for its products. Hence the great advantage which such countries as Great Britain and the United States have over a Dominion like New Zealand. New Zealand finds it hard to establish manufactures because her population being sparse the demand for manufactured goods is relatively small. The demand is not sufficient to call into existence factories such as those in America and Britain, whose size enables them to be organised so as to secure every possible economy, and thus to reduce the cost of production to a minimum.

An illustration may be drawn from the pin industry. It would be utter madness for New Zealand to endeavour to manufacture pins for home consumption. The demand is not adequate for the scale of production requisite to cheapness. Long ago Adam Smith assured us that to obtain the maximum economy in pin making the industry must be divided into some sixteen distinct operations, with a set of workmen exclusively devoted to each operation—pointers, headmakers, etc. There would require also to be twice as many headmakers as pointers, since to make the head look twice as long as to sharpen the point. Thus before pins can be marketed at the minimum cost many more men must be continuously employed. But one factory organised with ten men, Smith tells us, would produce 48,000 pins a day. We have no means of estimating the consumption of pins in New Zealand, tat it is doubtful whether so many are consumed in the course of a day. If not, the demand in the Dominion is not sufficient to keep one well-organised factory in full operation. Pin making, therefore, in New Zealand could not be carried on at the minimum cost of production, apart from the development of an export trade.

The great truth that as the demand for commodities increases the cost of their production diminishes and their price is reduced to the consumer, finds abundant confirmation. The Law of Increasing Return is at work on every hand. Clothing, boots, watches, furniture, etc., have got cheaper with every increase in the demand for them, because the scale of production has been ever enlarging. The same weekly wage can produce incomparably more of these goods now than it could a generation, or still more a century, ago.

Land, however, we are told, obeys the Law of Diminishing Return. The greater the demand for it, the greater—not the less—the cost of obtaining it. As a general principle (the modifications we do not need to consider) the best land in a country is taken up first. As population advances recourse has to be had to inferior land—inferior either in fertility or position. Once the needs of a growing population compel use of the inferior lands, land value and rent rise. The value of the superior land is measured by its superiority over the inferior land. The value of the one represents its differential advantages over the other. A few simple illustrations will
make the point clear. The value of land in the center of a town is greater than that of land in the outskirts; the higher value of the former corresponds to the greater advantage it has in situation. The value of a farm near a railway is greater than that of a farm far removed from such means of transportation of its products; the higher value of the former measures exactly the advantage which "the proximity of the railway affords. A farm on the plains of the Mississip, rich with the fertilising deposits brought down by mighty river through countless ages, is more valuable than a farm on the rocky hilltops; the higher value of the one is proportioned exactly to its superiority in fertility over the other. As the aggregation of population proceeds, these superior lands are fully occupied and tilled., necessitating recourse to the inferior lands in order to satisfy the growing demand for land and its products. Hence values rise and rise, and rents grow and grow. The same amount of labour and capital applied to poor land will not bring so large a return as when applied to better land. It is differential advantage of the latter which gives it the power to secure a higher rent than the former. Advantage in situation has the same effect as advantage in fertility. To be far removed from a distributing center enhances the cost of production in the same way as the niggardliness of the soil. Thus land obeys the Law of Diminishing Return. The requirements of a growing population force into cultivation and use land possessing less fertility or less advantage of situation—land that yields less to the application of labour and capital.

The conclusions to which our argument leads are of supreme importance. The greater the demand for land, the greater the price and the greater the return that must be paid for it. Progress in agriculture, considered as the art of culture, is a process of increasing the proportionate return, because the skill and intelligence of the individual grow as the need for it grows.

The Law of Diminishing Return is operative even where inferior soils are not brought into use. After a certain point is reached, any further cultivation of the best land will yield a diminishing return. Every farmer knows that after a certain amount of capital and labour is applied to his land additional applications of labour and capital will not yield the same proportionate result. There comes a point when, on account of the diminishing return, it does not pay a farmer to devote labour and capital in more intensive cultivation. Here, again, we observe that the products of land obey a different and opposite law to the products of manufacture—in the one case obeying the Law of Diminishing Return, in the other the Law of Increasing Return.

This book is designed to give a popular statement to the economic truths which underlie the social problems crying out for solution. The technical terms and mathematical treatment of modern economists have been avoided as far as is consistent with a treatment of governing principles adequate to convey a true meaning to the reader. Nevertheless, a passage from Marshall's "Economics of Industry" may well conclude this chapter:

"Firstly, although an improvement in the arts of agriculture may raise the return which land generally affords to any given amount of capital and labour; and although the capital and labour already applied to any piece of land may have been so inadequate for the development of its full powers that some further expenditure on it even with the existing arts of agriculture would give a more than proportionate return; yet these conditions are rare in an old country; and except when they are present, the application of increased capital and labour to land will add a less than proportionate amount to the produce raised unless there be meanwhile an increase in the skill of the individual cultivator. Secondly, whatever may be the future developments of the arts of agriculture, a continual increase in the application of capital and labour to land must ultimately result in a diminution of the extra produce which can be" obtained by a given extra amount of capital and labour.

"Making use of a term suggested by James Mill, we may regard the capital and labour applied to land as consisting of equal successive doses. The return to the first doses may perhaps be small, and a greater number of doses may get a larger proportionate return; the return to successive doses may even in exceptional cases, alternately rise and fall. But our Law states that sooner or later (it being always supposed that there is meanwhile no change in the arts of cultivation) a point will be reached after which all further doses will obtain a less proportionate return than the preceding doses."

Thus, whilst its operation may be stayed temporarily by improved processes of agriculture, the Law is rigorous. Indeed, in all civilised countries it is active; progress in the arts of production weakens, does not suspend, its activity. Wherever land has exchange value the Law of Diminishing Return operates. There could not be such exchange value if there were an ample supply of first-class land in point of fertility and situation,
Chapter VIII.

The Law of Diminishing Return.

An analysis has been made of the principles which govern the rise and growth of land values. We have seen how they respond to every step in the march of progress, how they advance with the aggregation of population. Growing land values represent the growing inadequacy of the land of a community to meet the growing needs of such community. To satisfy the requirements of additional population recourse is had to inferior lands, or to less productive applications of labour and capital upon the same land. It is not the mere presence of population which creates land values. It is the demand of consumers, wherever situated, for the products of the land. Whilst it is true that the demand—the needs—of the people of New Zealand is most effective in its stimulus to local land values, it must not be ignored that the demand of British consumers for New Zealand mutton and butter has contributed in large measure to the remarkable advancement during the past fifteen years of the values of pastoral, and especially of dairy, land. The frozen meat trade with Britain has enhanced the value of land in New Zealand by increasing the number of buyers of New Zealand products without increasing the supply of the land from which the products are obtained.

Before this trade mutton in New Zealand was about 2s 6d the half sheep; now it is 4d and 5d per lb. Now, at the same time, the price of the same article, making allowance for costs of freight, tariffs, etc., is the same everywhere; so that the price which the New Zealander pays for his mutton approximates to the price paid by the British consumer, after allowing for cost of carriage, storage, and freezing. The burden of this increased price is borne by the consumer, the benefit is appropriated by the landowner. The farmer whose means have not permitted him to obtain the freehold of his farm finds that steadily increasing prices make his lot no better, as they are accompanied with steadily increasing rent.

In Taranaki, the most renowned of New Zealand provinces for its dairy produce, land has risen from £1 or £3 to £30 or £40 an acre. This is the outcome of the extension of the market for butter, arising from the fitting of merchant ships with refrigerating chambers. Now if there is "sweating" and arduous child-labour in any of the industries of New Zealand, it is in dairying. Despite the high price for butter and the insatiable market which Great Britain offers, the farmer finds he needs the assistance of all the members of his family to make the industry profitable. Not a few have been the reports of grievous labour, in the form of milking and tending cattle, imposed on very young children to the detriment of health and education. The reason is not far to seek. Land values have sucked up like a sponge the gains as they arose. The competition for land suitable for dairying, under the stimulus of high prices for butter, enables the landowners to reap ultimately the whole benefit, arising from the high prices. By Britain's offering a market for illimitable supplies of New Zealand butter and cheese at high prices, the margin of the dairying industry is pushed on: and enlarged, taking in land of more and more inferior quality or land further and further removed from facilities of transportation. It is the high prices that enable these lands to be brought into service. If the prices were to decline seriously these could not be profitably fanned. With falling prices, the margin of the dairying industry would be drawn in and contracted, receding first from the most inferior land in point of fertility or situation. Rents rise or fall with the extension or contraction of the boundary or margin of the industry. The rent of any piece of land measures its superiority over the poorest land in use. Consequently, as poorer and poorer lands are resorted to, the superiority over the poorest land becomes greater. Rising prices enable poorer sod poorer land to be profitably farmed, but, concomitantly with this process, the relative advantage of the superior land increases and, of course, its rent. Again, we see that while the burden of high prices is borne by the New Zealand consumer, the benefit is not enjoyed by the farmer, but is appropriated by the landowner. What advantage, then, to the producer of high prices, when they involve commensurately high rents or high land-values, which prevent him from becoming a freeholder unless he can command a large sum of money?

We are now ready for the proposition that economic rent represents an unearned increment. Wages represent an increment to the labourer, earned by the expenditure of effort on the production of something. Interest represents an increment to the capitalist earned by the service rendered by capital as ancillary to labour in facilitating production. Rent represents an increment to the landowner unearned by any exertion he has put forth. All increasing sum paid in wages or interest indicates generally increasing productivity. The more labour and capital are employed the greater the fruits of industry and the greater the amount of produce for consumption. Growing rents do not indicate growing productiveness, but rather the reverse. They indicate the
diminished productiveness of labour applied to land. They simply denote the increasing scarcity of land relative to the needs growing population. Land values do not rise in a progressive society, because the services which the land renders to production grow in importance. On the contrary, land yields proportionately less and less as cultivation becomes "more and more intensive or recourse is had to more and more inferior lands. When, from the national output, an increasing sum is paid in rent, it measures in-increasing scarcity of land, whilst when, from the national output, an increasing sum is paid in wages and interest, it measures an increasing abundance of commodities.

When land is abundant, as in a new country, and the best and most profitable land is available land has little or no value; other words, it demands nothing for the service it renders to production. Land is given by God, and He asks no share in the output. But as this relative abundance is turned into relative scarcity by general progress, land acquires the power of effectually demanding a share, and a share that enlarges itself with the diminishing abundance. A fertile farm renders no greater service to production, when a colony is thickly populated, after a century of progress and industry than when, with a handful of settlers, the colony is commencing its industrial history. The properties of the soil are the same; the power to furnish man with raw material is the same. Yet in the one case there is a high rent, and in the other the rent is quite a negligible quantity. The owner of the land receives this rent. How has he promoted production that he should receive this ever-growing share of the produce of industry? It is not payment for work done, for energy expended. It is not payment for capital invested in machinery or appliances to facilitate industry and augment productiveness. No! the landowner observes his share grow as the competition for his land grows in intensity; he sees industries expand; he sees population increase—and all this advancement intensifies the need of his land. Upon this competition he fattens. His land will not produce more than formerly, but more are wanting it. So without labour, without effort, his land rises in value and his rents increase. He flourishes upon the necessities of advancing population. Without contributing to prosperity, he secures a share of its gains. The more men clamour for what he has to give, the more he asks for the right to use it. He asks more because the need is more. As the difficulties of production increase, as the labourer gets a diminishing return for his labour and capital owing to the necessity of cultivating poorer land, the landowner gets an increasing return. Having that, the supply of which cannot be increased, he prospers on the community's growing need.

The full force of the argument will be best seen by taking an extreme case. Let us suppose a country parcelled amongst one hundred landlords, and that no progress in invention, machinery and the arts of production (which tend to increase the efficiency of labour and make it more productive) has taken place. Population steadily increases. The arts of production being stationary, the law of diminishing return will operate unchecked, and without conditions the state of the people will become worse and worse. Increments of labour will give less increments of yield, and at the same time rents will steadily rise. Productiveness will fail and rents rise. The landowners will grow into riches, the labourers decline into poverty. As population presses more and more on the means of subsistence, the share of the landowner of the produce of industry will increase, the share of the labourer will decrease. Even if rents did not increase, the condition of the people would be worse, owing to the diminishing return to increasing applications: labour. But the evil is immeasurably aggravated by the lessened productiveness being accompanied by enhanced consumptiveness on the part of landowners.

Such is really what happened in Britain before the repeal of the Corn Laws. The duty upon corn was so high as almost to prohibit the importation of foreign supplies. The country was thrown upon its own agricultural resources. The result was inevitable. Foreign supplies being cut off, the demand for bread could not easily be met. The poorest land was brought under cultivation, and the fertility of all land was drawn upon to the utmost. The soil everywhere was highly, intensively tilled. The high price of corn rendered this extension of cultivation profitable. Land which, with a low price, would not have paid to farm brought to its owner a profit for his labour. But the law of diminishing return was in acute operation. The inferior soils yielded less to the exertions of labour than the more fertile ones, and it was only the high price of produce which enabled them to be profitably cultivated. In agriculture, as in other industries, men go on applying labour and capital to a point at which any further application will not yield a remunerative return. A rise in price causes that point to advance; a decline causes it to recede. The argument is clear. Cultivation can be carried further with profit when prices are high than when prices are low. But notice the double effect of this more extensive and intensive cultivation necessitated by the insufficiency of less extensive cultivation to meet the demand of the people for bread. In the first place, prices must rise to cover the extra cost of production on the margin of cultivation. If the price did not so rise, the needed supply would not be forthcoming. In the second place, the value and rent of agricultural land rises. Every widening of the area of tillage by the inclusion of less fertile soils enhances the value of the more fertile land. The rent of any piece of land is nothing but the measure of its superiority in fertility or situation over the most inferior in use. Consequently, as more inferior soils are resorted to rents rise. If through high prices it becomes profit able to till a patch of land hardly redeemed from barrenness, and far removed from facilities of transportation, the profitableness of another patch, fertile and accessible to; market
where its products can be readily sold, is still further augmented; and the difference is represented by rent. This truth, that resort to inferior land raises land values and rent, may be made obvious by a simple illustration. Let the adjoining circle represent the land of a country.

Mathematical illustration

Let the segment A B C represent the most fertile land of the country. This is sufficient at first to produce the cereals required by the inhabitants. Now, let population increase, and with it the demand for cereals. To meet this enlarged demand the land represented by the segment A C D has to be brought "under the plough; but it is inferior to the land A B C, and does not give so large a return to the same amount of labour. Consequently the cost of producing cereals from A C D is greater than from A B C, and the price of the produce must be raised to cover this additional cost, otherwise no cultivation, of A C D will take place. And, of course, if the price of the produce raised from A C D requires to be increased to cover the added cost, the price of the produce raised from A B C is raised to the same figure, for in the same market, at the same time, there cannot be two prices for the same article. Thus the resort to the more inferior soil A C D will have rendered the cultivation of A B C more profitable than formerly, and this extra profitableness will be absorbed in rent. The men who own the superior land A B C will be able to obtain for the use of it a rent representing the advantage which it possesses over A C D. Those cultivating the inferior soil will be always ready to offer a rent for the superior soil measuring the advantage which the latter possesses over the former. Thus competition will secure a rent for superior land, as recourse is had to inferior soil and prices of produce are raised. As population still further increases the demand for cereals will grow until the supply from A B C and A C D is insufficient. Prices must then rise to make it profitable to cultivate the still more inferior land represented by the segment A D E. This will cause a corresponding rise in the rent of the superior land A B C, and enable A C D to command a rent measuring its superiority over A D E. Rents will still further rise as the necessities of a growing population bring the most inferior soil of all, A E B, into cultivation. It thus appears rents increase as the difficulties of supplying the demand for the produce of land increase, or, in other words, as the cost of production increases.

The British Corn Laws occasioned high prices and high rents, and this double effect is now explainable. Consumers had to devote more of their earnings to the purchase of bread, and the incomes of the landlords were enlarged. Or the truth may be stated thus:—The Corn Laws, by diverting labour and capital from manufactures, which are governed by the law of increasing return, to agriculture, which obeys the law of diminishing return, lessened the total annual output of the nation's industry. The wealth of the nation, estimated in consumable goods was diminished, whilst at the same time the share of that wealth which the Owners of agricultural land appropriated was increased. With diminished total wealth, from which all the three agents of production—Land, Labour, and Capital—could be remunerated, the landowner's wealth was augmented. Thus the landowner waxed rich as the nation grew poor. Wealthy landlordism jostled with indigent Labour.

The repeal of the Corn Laws removed the barriers to the importation of foreign supplies. It widened the area from which corn and raw produce could be drawn. The effect was the same as multiplying manifold the quantity of agricultural land available for the supply of cereals to meet the needs of the British people. It was an enlargement of the acreage of supply. The land of Russia, America, Canada, and Australasia was brought into the service of the British people. In many of these lands the law of diminishing return was but feebly operating; labour was revelling in the cultivation of virgin soil, with its treasures of fertility unexploited; land was liberally, lavishly responsive to the first touches of cultivation. Yet the value of land was low, and its share of the produce in the shape of rent was negligible. Wages were higher than in Britain; but rent was lower, and land was more productive. The cost of producing corn was much less. Hence, after paying for freight, cereals were brought to British consumers at largely reduced prices. The sufficiency of supply of foreign produce at low prices made the prices for home corn fall to the same level. As prices fell, inferior lands fell out of cultivation, and the better lands were not cultivated so intensively. Hence rents fell. Freerade in corn for Britain arrested the law of diminishing return by enlarging the area of supply, gave to the people cheap bread, and curtailed the share of the national output obtained by the owners of agricultural land. It was in the effect upon the principle of diminishing return lay the conspicuous virtue of Freerade. Raw produce being cheaply supplied from foreign trade internal labour and capital were released from the necessity of wringing produce from unfertile, inhospitable soil, and of draining to their last reluctant element the resources of the better land. The labour and capital thus liberated were devoted to the manufacture of textiles, hardware, etc. These were exported in exchange for the imported foodstuffs. The benefit to Britain was enormous. Labour passed from exertion in a sphere where the law of diminishing return was dominant into a sphere where the law of increasing return prevailed. The labour of the people became more productive. The same amount of industry produced an immeasurably greater return of the fruits of industry. The labour devoted to manufacture by exchanging its textiles for the foodstuffs of foreign countries was enabled to procure a much larger quantity than had been the case when the labour had been applied directly to the production of such foodstuffs. Freerade meant to Britain the passage from the supremacy of the law of diminishing return to that of increasing return. But it meant more.
Whilst the aggregate produce, from which alone the agents of production could be remunerated, was augmented the share of land was decreased. There was increased wealth, but diminished land values. There was a larger national dividend for distribution among Land, Labour, and Capital, but lessened rents. Diminished rents and augmented productiveness were necessarily followed by enhanced wages and profits.

The argument can now be summed up. The share of the fruits of industry, which agricultural land will be able to secure, depends upon the operation of the law of diminishing return. Where the law operates acutely this share will be large, where it operates feebly the share will be negligible. The residue of the fruits of industry is divided between Labour and Capital. Rents, by an inexorable law, advance only at the expense of wages and profits.

But agricultural land is not the only kind of land which has value and yields rent. Indeed, the peculiar property of land to absorb the fruits of a community's advancing prosperity is more accentuated in urban than in rural lands. City lands have an amazing capacity for large appropriations of the produce of labour and capital. As a city grows, as its people increases and its industries develop, land values grow, claiming ever larger and larger shares in the city's wealth. In the country the unit of measurement is the acre; in the town it is the foot frontage. Double the population of any city and you will enormously enhance the value of its land, for the same old reason that the supply is stationary, whilst the demand has increased twofold. The rent of a section at the heart of a city's commerce is higher than that of a section on its outskirts. This arises from the superior advantage in situation, and consequently greater productiveness for business purposes, of the former, as compared with the latter. In other words, the return to effort on the latter section is less than on the former. Again we see the law of diminishing return in play and determining rents. One business site commands greater rent than another because of its greater profitableness. The house on land along the electric car route is more valuable than that on land far removed from any such convenience of transportation. Similarly the residence close to the business area fetches a higher rent than the residence of the same kind in a distant suburb; there is a saving of car or railway fares, as well as greater convenience.

Whatever increases the demand for land increases its value Increasing demand is essentially characteristic of progress. Land is the very staple of industry. Manufactures do not require the same extent of it as agriculture, but where they locate themselves they create an intensity of demand for neighbouring land for workmen's homes and other purposes which enables such land to appropriate a share, and a large one, such workmen's wages, and also of the manufacturer's profits. Let an industry plant itself down in an unpopulated place, and at once there is a marvellous accession to the value of the land of that place. The industry cannot established without the land, consequently the landowners make a claim at the outset for a share of the anticipated produce.

The argument requires no further elaboration to conduct us to the grand conclusion that the share of the national output which land secures is an unearned increment. It does not represent reward for labour or effort of any kind. It does not measure the service which land renders to production; it measures the need of the community. The need grows with advancing population, and consequently there is a concomitant growth of land's share of the national produce. Growing land values do not indicate that land is growing more serviceable, but that it is growing scarcer relative to the need of it. Indeed, growing land values represent declining serviceableness, or, in other words, declining productivity. It is the necessity of recourse to inferior soils that gives rise to rent. "Were there an abundant supply of land of prime quality the soil would yield generously to man's labour, and yet claim no rent."

Thus the return to the landlord is an unearned increment, and therefore unjustifiable. Indeed, only Labour, in the broadest sense, has any defensible title to remuneration. Capital is the stored-up fruits of labour. It is the labour of the past, accumulated and expressed in such forms as will most facilitate industry and augment its productiveness. By the aid of capital labour is sustained whilst engaged in enterprises, such as the construction of railways, which interpose a long period between the effort and the result. It is only the expenditure of human energy, at one time or another, which justifies the consumption of the products of the earth. We have the highest Authority for saying that "he who will not work neither shall he eat." Now land is a gift of God. It is not a outcome of man's industry, and, except to a degree so slight as to be negligible, does not yield fruit apart from the application of such industry. This proposition may be taken as the foundation of the contention that the owner of land as such, is entitled to no reward, seeing he has exerted no labour. To get a remuneration under such circumstances is to obtain that which is unearned. The mere possession of what is necessary before production can proceed should give no claim to the fruits of production, unless such possession has in some way facilitated production.

But the return to land in the shape of rent is not merely an unearned increment to the landlord; it measures the extent of the advantage which he can take of the necessities of the community. This is important. Rent increases because of the hindrance which the limitation of the supply of land imposes to production. To say of land that it gives to its possessor an income he does not earn is to assert the negation merely of merit; it charges no reprehensible qualities. But to say that the landlord grows wealthy on a community's needs, that he battens
on a people's necessities, that he demands more rent simply because more men are clamouring for the use of his land, that he thrives at the expense of wages of labour and profits of capital, imports something of demerit. This is what the usurer does. The poorer the borrower, the more dependent upon the lender, the higher the rate of interest he is charged. Justice cannot uphold an income which has no other foundation than scarcity. Simply because twice as many mouths are to be fed in a country, landowners should not receive twice as much riches.

Chapter IX.

Unearned Increment and Labour.

We must now address ourselves more closely to Labour's interest in this question of unearned increments. A careful and somewhat tedious analysis has disclosed the nature and causes of the unearned increment. We have seen how it rests on the law of diminishing return. We have seen how that law depends on the growing needs of a growing population. Our argument, so far, is confirmed by all acknowledged authorities on Political Economy. But what concern has Labour with the argument? That is the vital question. Let the answer be thrown out boldly. To this law of diminishing returns is to be ascribed almost all the substantial grievances from which Labour suffers. It is a natural law, rigorous, cruel, and relentless. Because land yields less to man's effort as more is applied, therefore it demands more of the fruits of that effort. Or let us reason mathematically. The source from which wages, profits, and rent are obtained is the national output. There is no other source from which remuneration can come. The money that the labourer gets consists only in tokens whereby he can command the commodities the tokens represent. The more, then, that rent absorbs the less for wages and profits. It is a simple sum in proportion. If land gets one-third of the whole, Labour and Capital can get only two-thirds between them. If Land gets nothing, Labour and Capital will get the whole between them. In a young country Land gets, next to nothing, and Labour and Capital share the produce between them. In an old country, with dense population, Land gets a large share. Now, it has been established beyond any manner of doubt that this share of Land is an unearned one; that it does not represent an increasing service to industry, but a decreasing capacity for such service. If land were as abundant as the air, we should pay as little for it as we do for that indispensable element of life. It thus appears that Labour and Capital are obliged to admit, as participators in the results of their exertions, a factor of production which claims remuneration only as its power of service declines. When land of good quality is abundant, as in a new colony where the soil is generously responsive to man's effort, rent does not arise. Even to-day Canada is offering farms of 160 acres absolutely free to bona fide settlers. But give the country another generation for population to spread, for highways to be made and railways to be built, and the land now free will have attracted competitors; and then, like the veriest coquette, will raise its price the more it is sought after. If it is urged that the land rises in value because it can be more profitably worked, the reply is instant; the added profitableness springs from the roads and railways, which are a product of labour. If the railway gives a rent to the land, the rent is still an increment unearned by the land—nay, it is an earning of labour not accruing to labour but to land. And, indeed, since land obtains a share of the national produce and yet earns none, it follows as the night the day it must appropriate what labour and capital have earned. There cannot be an unearned increment without an undeserved decrement. From this conclusion there is no escape; Land participates in the fruits of industry only at the expense of Labour and Capital. What Labour takes out of the national fund it first puts in, but as Land becomes relatively scarce it is enabled to obtain a share of the fund by making Labour pay an increasing sum for the use of the land which is becoming increasingly scarce. Thus arises its power of taking out of the fund a portion of what Labour has put in.

At this point an objection presents itself. If with growing population and the concomitant relative scarcity of land larger and larger incursions are made into the earnings of labour, how comes it that the condition of labour continues to improve? No doubt labour is better off in a young colony than in the countries of Europe, but even in those countries the amelioration of labour has been going steadily forward in conjunction with rising land values. It cannot be denied that, taking the countries inhabited by white people, population is denser than it ever has been, trade is more active, the demand for land is more intense. In short, the total value of the land of the civilised world is larger than at any previous time. Yet never before has labour been so well cared for or so well paid. If rents, then, advance only at the expense of wages, we seem to have fallen into a paradox. Growing land values, according to the reasoning employed, should involve aggravated poverty of labour. But economic history testifies to the reverse. The explanation is not hard to find.

If there is a law of diminishing return, there is a counteracting law of increasing return. This latter has
neutralised the former. Indeed, its operation has been more powerful; so much so, that the gains it has bestowed upon labour and capital have been greater than the losses they have sustained by reason of the increasing rents demanded for the use of land. The inroads made upon the earnings of labour by growing land values have thus escaped observation. The evil has been covered; reforming zeal that, with every successive unit of effort, the return is diminished, but in every other sphere of its activity the return is proportionally greater the greater the effort. The more of it that people want, the more commodity, only give time to the sources of supply to accommodate themselves to the enhanced demand, and the growing want will issue in a declined price for the commodity. The fact is, that the full advantages of the division of labour can only be secured when production is conducted on an extensive scale. This predicates the necessity of a large market. There must be a demand sufficient to take off the output. The wide, keen demand leads to an ultimate reduction of price. The cheapening of the cost of production in the arts and manufactures, by gigantic factories employing highly specialised machinery, and securing all those incalculable economies in the use of power, in diminished waste, etc., has been enormous during the last century. The price of almost every article of commerce has been reduced. Linens, cottons, woollens, cutlery have been brought within the reach of the poorest.

Between 1786 and 1876 the price of cotton fell from 38s per unit of length to 2s 6d, and in the meantime the quality improved. The fall in price has continued since under the stimulus of a steadily advancing demand. Mulhall estimated that the cost of agricultural products during the period rose 13 per cent., while that of manufactured goods fell 43 per cent.

When Britain, by the iniquitous Corn Laws, endeavoured to wring from her own soil all the produce her people needed the price of wheat rose tremendously, and with it the price of land. But when she abandoned her Corn Laws and transferred the energies of her people to manufacturing not only for herself but for the world, the price of those goods did not rise with the increased output. On the contrary they fell. The increased output of agricultural produce raised prices, the increased output of manufactured goods lowered them. Freetrade gave the British consumer a double blessing. It gave, on the one hand, cheaper food; on the other, cheaper clothing. By opening up new sources of supply of wheat, it arrested the law of diminishing return; and by turning the national industrial activities into manufactures it brought labour into a sphere where the more the production the less the price of the articles produced. It is estimated that if Lancashire could secure the monopoly of the world's market for cotton, the added economies, which the concentration of the industry would render available, would enable it not only to meet the demand, but to do so at a lower price.

Again, the march of invention has been going in the same direction. Who can estimate the accession of productivity attributable to steam? Who can foresee industry's gains in that subtle element, electricity? These are the factors which have poured wealth at the feet of the nations with the prodigality of a cornucopia. No wonder the influence of the law of diminishing return has not been consciously felt. Even in the field of agriculture, the law has been counteracted in no inconsiderable degree by improved means of cultivation, by railways and other facilities of transportation, and by a widening use of machinery for manuring, sowing, reaping, and threshing. That the law has not been in suspense, however, is seen by the high land values and rents which prevail in all progressive communities. The world's consumption of wealth cannot increase without the need of land increasing. The raw produce, which is the basis of all manufactures, must be drawn from the soil, the building of factories requires land, the housing of operatives requires land, the distribution of the commodities requires land for commercial establishments, banks, warehouses, retail stores. Productivity cannot be augmented without accentuation of the need of land. But the supply is fixed, and thus the growing need expresses itself in rising rents. Wherever population is progressive and the productive forces energetic, the value of land is rising commensurate with the rising need of it. And Labour must have suffered acutely—indeed, population must have been arrested—but for the wonders of this era of machinery, which has so amazingly lessened the cost of production. Nothing but the phenomenal strides in science, the progress of invention, the development of the aids to industry, the capitalistic organisation of production, has saved Europe from being covered with destitution by the relentless operation of this law of diminishing return. These have opposed a countervailing force to the increased resistance which Nature offers to raising increased amounts of raw produce. Indeed, the collective efficiency of civilised peoples has developed more than in proportion to their numbers. Accumulated wealth grows faster than population. That tendency (which filled Malthus with pessimism) of population to press continually upon the means of subsistence has been met by a stronger tendency acting in the contrary direction. It is this which accounts for the forward movement“ of Labour and the steady improvement in its condition. But that Labour is better off to-day than ever before is not due to any slackening of the landlord's exactions for the use of his land, but to the immeasurably increased fruitfulness of labour. Two opposite tendencies flow from advancing population. In the one case, labour becomes more efficient and productive through the division of employment the specialisation of skill, the development of correlated branches of industries and the innumerable economics which large scale production effects. In the other case, the demand for land is accentuated, the scarcity of it emphasised, the value of it augmented, and the
toll which it levies upon the fruits of industry increased the first tendency is constantly enriching Labour; the second is constantly impoverishing it. The result is that amid unexampled profusion of riches, Labour is still poor.

But why? That is the question. Labour apparently has not received its fair share of the increased fruitfulness. It is no answer to the charge of the essential greediness of land, which raises its price with deepening necessity, to say that some betterment is noticeable in the condition of Labour. Has Labour received a return commensurate with its contribution to this augmented national output? Wealth, estimated at per head $i$ population, has everywhere increased much more than the wealth per head of the working classes. Where has the surplus gone? Capital has been able to secure a large return, but then it is quite arguable that Capital has earned it, since, but for the invariable services it has rendered, production could never have reached the scale on which it is now carried on. But more of that anon. The point upon which emphasis must now be laid is that Land has obtained the lion's share. That factor of production which is a gift of Nature has made larger and larger drafts upon this labour-created fund. A tremendous proportion of the increased fruitfulness has passed in the shape of unearned increment to land. The factor of production, which can only command remuneration at all by becoming less fruitful, has secured the greatest benefit from the increased fruitfulness of the other factors of production. Its progressive disservice has enabled it to levy tribute upon the progressive service of the others. So Land, growing more parsimonious with advancing civilisation, appropriates the major portion of the benefits. Thus Labour is deprived of the reward of its growing productiveness. The private wealth per head steadily grows in all countries. Mr Hayter estimates that in Victoria the growth was from £1/85 in 1872 to £261 in 1902—yet the condition of the working class has not improved because of the concomitant advance in rents. Similar progress of wealth is shown in New Zealand, but land values have increased at the rate of £4,000,000 a year, with the result that Mr Tregear, the Chief Secretary to the Government Labour Department, declares that the condition of Labour to-day is worse than it was ten or fifteen years ago. Growing productiveness has been accompanied with growing rapacity of landlordism. This was recognised by Hugh Latimer as far back as the sixteenth century:

Land which went heretofore for £20 or £40 a year now is let for £50 or £100. My father was a yeoman, and had no lands of his own; only, he had a farm at a rent £3 or £4 by the year at the uttermost, and thereupon he tilled as much as kept half a dozen men. He had walk for one hundred sheep and my mother milked thirty kine; he was able and did find the King a harness with himself and his horse when he came to the place that he should receive the King's wages. He kept me to school; he married my sisters with five pounds apiece. He kept hospitality for his neighbours, and some alms he gave to the poor. And all this he did of the same farm where he that now hath it payeth 16 pounds rent or more (instead of 3 or 4 pounds by the year at the uttermost) by the year, and is not able to do anything for his Prince, for himself, nor for his children, nor to give a cup of drink to the poor.

During 1871 and 1886 the ground rental of London increased by £6,000,000, the total rental being £15,000,000. This was the "annual payment for permission merely to occupy the swampy marsh by the Thames which London labour makes so productive." Speaking in the Memorial Hall, July 29th, 1887. Mr W. E. Gladstone alluded to the Thames Embankment and asked: "At whose expense was that great permanent and stable improvement made? Instead of being made, as it should have been, at the expense of the permanent proprietary interests, it was charged every shilling of it upon occupants—that is to say, mainly either upon the wage, of the labouring man, in fuel necessary for his family, or upon the trade and industry and enterprise which belong of necessity to a vast metropolis like this." And the burden of this growing value upon wages has been growing heavier ever since. Berlin for the past thirty years has trebled its ground rents. For a quarter of a century and more the landlords of Birmingham have been receiving an increase of from £8,000 to £9 000 a year in ground rents. Labour has paid it. In New Zealand private wealth and public wealth, in the shape of railways, etc., has been growing apace. In 1891 the private wealth per head was estimated in the New Zealand Official Year Book at £230 per head. By steady increments it advanced to £280 in 1904. A new system of calculation was adopted on this last year, which renders the estimate lower than it otherwise would have been. Under the old system, it would have been about £300. And yet at the same time as this increase was chronicled, Mr Tregear published and adopted Mr Coghlan’s statistics showing that the cost of living during the time that the wealth per head had been growing had increased 30 per cent., whilst wages had increased only 8 per cent. Mr Tregear ascribed the increase in the cost of living mainly to the amazing growth of land values, necessitating an ever-increasing proportion of wages to be spent on rent.

It would appear, then, that although the wealth per head in New Zealand has increased during fourteen years, yet Labour is not so well off as formerly. The advance in wages has been more than counterbalanced by the increasing portion absorbed by rent and by the enhanced price of such necessaries of life as meat and butter. But how comes it that the necessaries of life have increased in price? It arises from the fact that they are the direct product of the land. The expansion of foreign trade has increased the demand for these products, and,
therefore of the land. This increased demand for land has been followed as always, by increased price of land. As has already been observed, dairy land in Taranaki, which fifteen years ago was only worth a few pounds an acre, now finds purchasers at £40 an acre. So that the increased price of dairy produce measures a further encroachment of land upon the products of industry. It is the resort to more inferior soils, and the more intensive cultivation, consequent upon the increased demand of growing local markets and expanding foreign markets, which has raised the price of such commodities as butter and meat to the worker. It is the pressure of a growing population which has raised the value of residential land and increased his house rent. What effect the Arbitration Court, by raising wages, has had upon the cost of living has previously been noticed. It is negligible in comparison with the effect of rising land values.

We seen, then, how Labour is spoiled by an increment to land that increases as the service of land in production decreases. So Labour is robbed of its earnings.

But this does not represent the full penalty which advancing land values impose upon Labour. They aggravate the unearned problem. Land is a condition precedent of the employment of labour. Industry consists in the extraction of raw produce from the soil and in working it up into forms filled for the satisfaction of human desires. The starting point of all industrial activity is land. It follows, therefore, that everything which impedes or sets any hindrance to the use of land hampers industry. Labour could not lack employment, able-bodied poverty could not exist, were there abundance of fertile land to be had free of charge. Were Labour enabled to devote its unearned energies directly to the soil without impediment, starvation were a calamity.

Rent is the outcome of the accessibility of land to the prosperity of Labour generally understood, the public conscience would hold as criminal the artificial withholding of land from use. Thus rising land values rob unemployed labour of a large portion of its earnings, and by making land inaccessible to the poor, prevent unemployed labour from sustaining itself.

But we have not yet measured the weight of the burden of rising land values upon industry. Wherever there is rising land values there is speculation. Wherever there is speculation there is a degree of productiveness short of that possible. Speculation or trafficking in land values is a grave evil incident to private property in the earth's surface. In all communities riding on the advancing tide of prosperity, and especially in young countries, men are to be found whose occupation is not use or cultivate land, but to gain wealth by buying and selling calculated upon movement of value. The bane of the speculator's influence lies in the artificial inflation which his dealings impart to values. The value of land rises naturally by an inexorable law as population grows and multiplies its needs; but speculation gives an unnatural and inordinate accession of value. It is enabled to do this by the extent to which it causes the locking up of land. Land is for use but speculators do not want it for that purpose. The history of every one of the British colonies abounds in instances of urban and rural land withheld from use and cultivation, and held only in anticipation of the rise in value which progress will give. Now, to lock up land is to diminish the supply for the satisfaction of the needs of industry. Rent is the outcome of the equation of, supply of, and demand for land. Were land of good quality illimitable in quantity, there could be no rent, or land could have no value. Land participates in the products of industry only because its supply is limited by Nature, and cannot increase with increasing need of it. Speculation involves the artificial limitation of the supply. Thus the value and rent of all the land in use are increased. The unearned increment is augmented. The earnings of Labour are subjected to further encroachments. But the unearned increment only grows as the operation of the law of diminishing return is intensified. It means that lands are being resorted to which are less profitable to work, or that land already in use, by being more intensively, is less profitably, worked. In abort, the locking up of good land means that Labour must employ itself less productively on other lands. Thus the productiveness of Labour is diminished. The fruits of industry, from which alone wages, rent, and interest can be paid, are lessened in quantity. Thus speculation curtails the productiveness of a community, and at the same time secures for land a larger share of the diminished produce, in the form of rent.

The conclusions of the argument may now be concisely set forth. By reason of the supply of land being incapable of expansion, and by reason of the demand for land being subject to progressive expansion, a threefold burden is placed upon the back of Labour. As the demand presses upon the supply, land appropriates more and more of the products of labour. Increasing rents are an unearned increment, since they measure, not the growing bounty of Nature, but its growing niggardliness. In addition to the burden of an unearned increment
growing values and rent mean growing inaccessibility of land to the poor and those not possessed of capital. Thus the unemployed are denied the outlet for their unbespoke energies which the existence of free land would

Chapter X.

The Remedy.—The Canons of Taxation.

Thus far the analysis has conducted us to two conclusions: the folly of attempting amelioration of social conditions by contracting productivity; and the undeviating tendency of that agent of production, land, to absorb an ever-increasing proportion of the fruits of industry. The attention directed to the laws of distribution have revealed the cause—or, at any rate, a cause—of the poverty of Labour and of the widening gulf between rich and poor. As a parasite cannot exist by reason of its own energy, but flourishes only by robbing another of vitality and vigour, so rent, the parasite of economics, grows, and grows only, at the expense of Labour and Capital. Carlyle has expressed the truth in his usual illuminating and forcible fashion. He is examining the cause which led to that uprising of the peasants known as the French Revolution: "Consider it, look at it! The widow is gathering nettles for her children's dinner; a perfumed seigneur, delicately lounging in the Œil-de-Bœuf, has an alchemy whereby he will extract from her the third nettle, and name it rent and law; such as arrangement must end." The great philosopher seemed to discover some moral blame attachable to the landlord. But the law of rent is a law of Nature, and as inexorable as the law of gravitation. Rent is not the exaction of an idle and selfish class. So long as land is limited and human wants are illimitable, land will acquire value, and rent is but the income of such value. Whether land be the subject of private or State ownership, economic rent will exist. It is not a burden on Labour which philanthropy can shift. Nevertheless it can be lifted ultimately, and may be lightened immediately by the sovereign remedy of taxation. This question must now occupy us.

The principles of taxation require close inspection. Is any chapter of classical political economy which ought to be rewritten it is preeminently that one which deals with this subject. There is almost unanimity among the old writers that the only end of taxation is the provision of revenue for transacting the affairs of State. Modern thought, as expressed in Radical politics, finds in taxation an instrument for redressing social inequalities and bringing the distribution of the products of industry into alignment with justice. Its power of levelling the industrious poor up, and the idle rich down, is rising above the horizon with promise of a new and brighter era for Labour. There is in it potentialities for contending with unearned increments which, so far, have been hidden as the chicken in the egg. It is no longer an expedient merely for meeting the necessities of government.

In the beginning of economic science, Adam Smith laid down four canons to which every sound system of taxation, he conceived, must conform:—

- The subjects of every State ought to contribute towards the support of the Government, as nearly as possible in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the State,
- The tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought to be clear and plain to the contributor. The system in vogue in Turkey and other backward countries, whereby taxes are farmed out and subject to aggravation or mitigation according to the capricious will of the men who sit at the receipt of custom, cannot be the subject of denunciation too strong.
- Every tax ought to be levied at the time or in the manner in which it is most likely to be convenient for the contributor to pay it.
- Every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible over and above what it brings into the Public Treasury of the State. The less there is of the proceeds of the tax eaten up in expense of collection, the better the tax.

More than a century and a-quarter has passed since these principles were enunciated for the guidance of statesmen, and age has not withered them or robbed them of their worth. Their truth does not vary with changing conditions or environment. No economist would dream of superseding them. Nevertheless, many, conscious of their insufficiency, advise supplementing them. A deeper knowledge of economic truths, the emergence in modern times of the far-reaching doctrine of the varying utility of money to different classes of the community, and the emphasis which the amazing prosperity of the last hundred years has put upon unearned increments, has rendered the revision and amplification of the theory of taxation a matter of the
utmost urgency.

Without withdrawing anything from the value of Adam Smith's statement, the writer would suggest the following canons as indispensable to a just system of taxation:—

1. The first one affirms the desirability of exempting the necessaries of life from taxation. The bare statement of this canon is sufficient to win approval. It has the convicting force and self-evidence of a maxim. Nevertheless, it is a governing principle of not a single civilised nation. When wheat, sugar, tea, woollens, etc., are taxed, those verging on destitution are made to contribute. The costs of administration should not be defrayed at the expense of the efficient existence of the people. Britain has been asked by Mr Chamberlain to consent to a tax on foodstuffs, that the colonies might be more securely held to the Empire. To tax a commodity is to increase its price. This is the almost universal experience. Now, the tax on foodstuffs, increasing their price, would increase the difficulties of living to the millions in Great Britain who are on the line of bare subsistence. Until the superfluities of a people are drained to supply the needs of government, no entrenchment should be made upon their necessaries. We are sometimes told that everyone should be taxed, that he may be affected with a due sense of responsibility as a citizen. But it is in few modern communities that the poor man contributes anything directly to the revenue of the State. The poor man’s contributions are made through Customs duties, and are hidden in the price of the goods he purchases. He is scarcely sensible of paying any taxes, and of the amount he is certainly ignorant. Such being the case, the sense of responsibility can hardly exist. Nothing can be urged in defence of the system of levying tribute upon the goods commonly needed to sustain life. Yet its attractiveness to Governments has been uniformly irresistible. With them, the the best tax is that which best disguises its nature. The burden of indirect taxation is real and heavy, but being concealed in the price of the commodity, the consumer is scarcely conscious of it. Bismarck frankly gave as the reason, for changing the policy of Germany from direct to indirect taxation in 1879 that by such taxation the money of the people could be taken without their knowing it. Long ago, it was well said by Pitt, that you could tax the clothes off a man's back without encountering a complaint so long as the incidence was indirect. No wonder Customs duties have found such favour with needy Governments. They choose the line of least resistance. Indirect taxation would lose much of its popularity were retailers to print, alongside the selling price of their articles, the sum by which the duty enhanced the price.

Moreover, Customs duties violate Adam Smith's canon of economy. They take a great deal more out of the pockets of the consumer than they put into the Public Treasury. The cost of collection is heavy, requiring an army of officials at every port, and, the most elaborate precaution against against fraud. In Victoria from 1882 to 1893 the cost of collecting the Customs duties was 3 per cent.; that of collecting the Land Tax only 1 per cent. And an increase in the Income or Land Tax does not occasion an appreciable increase in the cost of collection; the machinery which will collect a light tax will collect a heavy tax; whereas Customs duties, ranging over an increased number of articles, always involve a substantial increase in the cost. Further, the retailer, in assessing the selling price of his articles, calculates the amount of the duty as part of their cost, upon which he charges the ordinary percentage of profit. So that the consumer pays the duty and the retailer's profit upon the duty. It thus appears that the taxation of the necessaries of life not only infringes that fundamental principle of an enlightened and humane democracy, that the hungry man shall not have his hunger accentuated by taxes, but also impoverishes the consumer in a much greater degree than it enriches the State.

2. The second puts forth a claim almost as strong for free industry. No useful labour should be hampered by taxation. The policy of the State should be to supply every incentive and to remove every discouragement to industry. Again and again insistence has been laid on the wisdom of multiplying aids to productiveness. A country can't produce too much whilst human wants! possess their present range and elasticity. The world will require to be peopled with Carnegies before satiety is reached. What madness, then, to put shackles upon industry, to beset its path with difficulties and load its back with burdens. One of the most
pressing of the needs of modern society is the relieving of its industries from weights and restrictions. Unfetter them, give them freedom of play, and they will bound forward into an unwonted prosperity. But our statecraft is so purblind that, while it encourages industry on the one hand, it depresses it on the other. In how many countries are the fruits of labour exempt from taxation? The most common system of raising revenue for municipal purpose is to rate upon the capital value of property. This means that the more a man improves his land the more heavily he is rated. Two men live in adjoining cottages; one has put his energy into his garden and effected many improvements; the other is an idler. The first man finds his rates rise in proportion to his industry; the second man finds his rates fall as his property depreciates. Two men own adjoining sections: one builds a factory on his; the other holds his vacant as a speculation. The former finds that taxation rises with industry; the latter that he is practically exempt so long as he puts forth no effort. Surely this is the height of folly. To tax the fruits of industry is always to discourage their production. Tax an industry heavily enough and you will tax it out of existence. An illustration will serve to bring out prominently the evil alluded to.

In New Zealand the woollen industry is protected by a heavy duty against the importation of foreign goods. The expressed object of the duty is to promote the growth of wool manufactures. At the same time the woollen factories are heavily rated for the purposes of municipal government. Land upon which a factory is built pays much more in taxes than land upon which no improvements are effected. Thus the benefits given on the one hand are partially taken away on the other. If the maximum of productiveness is the aim of the State, what can justify the proportionment of taxation to industry or improvement? To use terms now pretty commonly understood, taxation should not be upon "improved" value of land, but upon its "unimproved value. No penalties should be imposed upon productive labour. It may be asked, if industry of no useful kind is to be taxed where is revenue to come from? That question will be answered hereafter. All that is wanted from the reader at the present time is assent to the proposition that if other sources of revenue are accessible and can he justly drawn upon, every form of productive enterprise should be absolutely free from taxation. What nations want is augmented productiveness; then away with every burden, obstacle, and discouragement.

3. We have freed the breakfast table from taxation, and we have freed, likewise, industry exerting itself in any kind of physical or mental labour. Now, since taxation consists in appropriating, for the needs of State, a portion of the products of industry, we seem to be left without any resources for meeting those needs. The third canon, however, expresses the desirability of requisitioning for public services those fruits of industry which are enjoyed by men who have not exerted the producing labour. The State or public body should not enter as a sharer of the earned products of a man's own exertion until it has absorbed the products of labour, unearned by those who possess them. In short, if there are any unearned incomes in society, they should be attached before the earned incomes are placed under contribution. The reason is found in the truth, generalised from the experience of mankind, that the prosperity and happiness of a State depend entirely upon the industry of its members. It is calamitous to feed idleness. When Rome began to throw largesse of corn to her citizens, her ascendency was arrested and her decline commenced. Soon after Queen Elizabeth began to feed "sturdy" beggars under the indiscriminating Poor Laws of her reign, the country was over-run with paupers. It should be the policy of the State not only to secure to men what they have laboured to produce, but also to prevent able-bodied men from eating what they have not laboured for. Earned incomes or increments should be jealously guarded. Increments, unearned, untoiled for, should be as jealously discouraged. Apart then altogether from the question of finding revenue for purposes of State, incomes enjoyed by those who do not produce them should be looked upon with disfavour by Governments and dealt with accordingly. Those habits of thrift which make a nation strong require that wealth should be proportioned to effort. And since the necessities of State have to be met by some form of taxation, to tax unearned increments would serve a double purpose: the public coffer would be supplied, and consumption without labour penalised and lessened.

At this point an important question arises. Are there any unearned incomes upon which the burdens may be shifted from productive industry? To maintain the claims of earned, as against Unearned, incomes needs little advocacy. But where are the unearned increments? Can they be defined and classified? Are they sufficiently accessible to be amenable to the tax-collecting machinery of Government which can only deal with classes of men and things?

Both ancient and modern economists have defined one large I class of such increments which they have called "rent.Æ The economic meaning of this term has already been precisely indicated. We have seen that it accrues to the landowner, not through any exertion on his part, but by the growing need of growing populations for the use of land and its products, coupled with the inability of man to increase the supply of land, and thus adjust it to the increased demand. Growing rents, we are told on unimpeachable authority, are the effects of growing scarcity of land relative to man's requirements. They represent not increasing but declining productiveness. They are the outcome of the law of diminishing, not increasing, return to labour. The holder of the city site leaves it vacant for ten years, untouched, unimproved; the city doubles its population; that site
receives a large increment of value, in no sense earned by the owner's industry, but created by the general progress of the city. The English gentleman buys a station in Australia and runs sheep upon it; after twenty years, population has settled round it and the demand is keen for the land for agricultural purposes; the English gentleman, whose land has been increased in value by the demands of a growing population, is now able to demand and obtain payment for that enhanced value from the people who have created it by their industry and enterprise. But these are just isolated instances. The unimproved value of all land affords an increment unearned to its owner. In rent, then, we have an increment independent of labour, upon which the burden of government should fall to the relief of labour. If the third canon of taxation is sound. Labour should escape taxation while wealth accrues to individuals without corresponding effort.

4. Not only should the necessities of existence be free, not only should industry be relieved, not only should unearned increments be loaded, but the fourth canon asserts that the contributions of the latter to the expenses of State should be proportioned the enlargement which they receive from the activity of the State. Contributions to State needs! should bear a close relation to gains from State enterprise. Everybody knows that land values rise in the wake of the steam engine. In New Zealand public money spent liberally on railways and roads. The benefits of these highways of commerce are registered in the enhanced value of land in their vicinity. Land speculation always accompanies a vigorous public works "policy. New Zealand spends some £2,000,000 a year on intersecting the country with railroads, and supplying back-blot settlers with means of transportation and facilities of communication, and the unimproved value of New Zealand's land has risen for the past ten years at the rate of some £4,000,000 a year. It is not all due to the expenditure of public money. It is accounted for in part by the extension of the British market for New Zealand produce, and by the general activity of New Zealand people. Yet it is safe to say there is no class of incomes which receives such large accretions from public expenditure as that derived from land. In the Australasian colonies, where State and municipal enterprise is so varied and Socialistic, the faculty of land to absorb the maximum gain is very marked. "As a matter of fact." writes Thorold Rogers, in his work "Six Centuries of Work and Wages." "the owner contributes nothing to local taxation. Everything’s heaped on the occupier. The land would be worthless without roads, and the occupier has to construct, widen, and repair them. It could not be inhabited without proper drainage, and the occupier is constrained to construct and pay for the works, which give an initial value to the ground rent, and, after the outlay, enhance it. It could not be occupied without a proper supply of water and the cost of this supply is levied on the occupier also. In return for the enormous expenditure paid by the tenant for those permanent improvements, he has his rent raised on his improvements, and his taxes increased by them." With the certainty and regularity of instinct, land mounts in value with every improvement which venders it more accessible or serviceable. Therefore, the economic or unimproved value of land is specially fitted according to this fourth canon to be the subject of taxation.

5. This peculiar fitness is emphasised when we discover the conformity of land taxation to the fifth canon. Not only are land values unearned by those who possess them, not only do they gain in a special way from national and municipal activity, but they are essentially created by the community. So far we have spoken of value as an unearned increment to land; but this is true in a limited sense only. Value is not given to land by the labour of its owner, but it is the indirect outcome of the labour of the community. Labour gives rise to it, but not the labour of the person who enjoys it. The owner appropriates the Jesuit of the industry of the people as a whole. You can't start a factory in a town without increasing the value of the land, not only in the immediate neighbourhood, but throughout. You can't increase a town's commerce, you can't increase its population, without bringing about the same effect. Concomitantly with progress advance land values. They are thus the result of the community's enterprise and activity intensifying the need of the use of land, and as such may well be ascribed to the creation of the community. Now since taxation is always levied for national, municipal, public, or communal purposes, a community-created value seems specially fitted for the burden.

Little need be said of the canons of taxation enunciated by Adam Smith. It were a work of supererogation to show that the holders of unearned increments satisfy the requirement as to ability to pay. The advantage of direct taxation on the point of economy has already been noticed. Indirect taxation surpasses direct taxation in one respect only—that of narrow expediency. Customs duties would have been abolished long ago, in every civilised community, were they not so apt in eluding observation by concealment in the price of the commodity.

This chapter may well be brought to a conclusion by a statement of the opinion on this question of land taxation by two such classics as John Stuart Mill and Adam Smith. In the fifth book of his "Political Economy," Mill, speaking of the house tax, says: "It is only in exceptional cases like that of favourite situations in large towns that the predominant element in the rent is the ground rent; and among the very few kinds of income which are fit subjects for taxation these ground rents hold the principal place, being the most gigantic example extant of enormous accession of riches acquired rapidly, and in many cases unexpectedly, by a few families from the mere accident of their possessing certain tracts of land with- out their having themselves aided in the acquisition by the smallest exertion, outlay, or risk. So far, therefore, as a house tax falls on the ground landlord
it is liable to no valid objection.”

Adam Smith, whose canons of taxation we have been elaborating, says in "Wealth of Nations," Book V.:—“Both ground rent and the ordinary rent of land are a species of revenue, which the owner in many cases enjoys without care or attention of his own. Though a part of this revenue should be taken from him in order to defray the expenses of the State, no discouragement will thereby be given to any sort of industry. The annual produce of the land and labour of society, the real wealth and revenue of the great body of people, might be the same after such a tax as before. Ground rents and the ordinary rent of land are therefore, perhaps the species of revenue which can best bear to have a peculiar tax imposed on them. Ground rents (economic rent) seem in this respect a more proper subject of peculiar taxation than even the ordinary rent of land (rent in the popular sense including rent of improvements)."

There is nothing new, therefore, in the advocacy of land taxation. It has the sanction of the highest authorities.

Chapter XI.

Taxation a Stimulus to Industry.

The analysis of the canons of taxation has brought us to an important conclusion. The justice and expediency of taxation of the unimproved value of land has been made abundantly clear. No further elaboration is required to establish the principle that communal expanses are most fittingly met by a value or fund communally created. So long as there is any form of civic or national government, there must be revenue provided by taxation. It is better to discharge this obligation by forcing unearned rather than earned increments into contribution. We have arrived, then, at this point: that it is most inequitable to attach any portion of the earnings of those whose means are insufficient to provide more than a bare subsistence whilst any class of men are in receipt of incomes which are the product not of their own labour, but of the labour of others.

So far, the argument has been consistent with the doctrine that the only legitimate function of taxation is to supply revenue. A protest must now be made against such limitation. Accordingly the proposition is boldly put forth that if the State did not require revenue the taxation of land values would none the less be desirable. Land taxation does something nunc than divert a community-created income into the Public Treasury; it does something more than make possible the exemption of the necessaries of existence; it does something more than make contribution for public purposes proportionate to benefits received from public expenditure and enterprise; it increases the productive capacity of the community and effects a more equitable distribution of its wealth. Land taxation, therefore, is urgent irrespective of the needs of government. If it stimulates industry and ensures a fairer distribution of its products, it promotes the objects to which all efficacious industrial reform must be directed. Let the proposition now be supported by argument.

Land taxation increases a nation's productiveness, and it does so in two ways.

First: So far as it is in substitution of taxation upon the direct products of labour, it removes a burden which weighs upon industry and thrift. To tax any commodity is to discourage its production. All commodities produced by labour have their price increased by the imposition upon them of taxes. The tax becomes part of the cost of their production. As a general rule there is a decline in consumption with an advance in price. The demand for a commodity varies with its price. It is always easier to sell a large stock at a low price than at a high price. Where boots, clothing, etc., are enhanced in price by taxation, people will economise more their use of them. So where a municipality draws its revenue from improvements, improvements are discouraged. Where rating is proportioned to industry, industry will be checked. It is impossible to increase the cost of production of anything without lessening its production. But to tax or rate land is not to increase its cost of production, because it is not produced by labour. Land does not rise in price as the burden of a tax is placed upon it. The price of everything is fixed by the relation of supply and demand. The price or value of land is determined by the relation which the available supply of it bears to the demand for the use of it. That relation is not disturbed by the imposition of a tax. A tax certainly does not lessen the community's need of land, and it has power neither to increase nor diminish the supply. It cannot affect it. Affecting neither the supply nor demand, it cannot affect the price of land.

The result is essentially different in the case of commodities produced by labour. It is true that the price of these, too, is governed by the relation of supply and demand. But in this case the relation is disturbed by the imposition of a tax. The price of any commodity produced by labour must be sufficient to cover the cost of its production, otherwise the supply will fall off. Industries are run on business principles, and no man will
continue to produce an article the price of which does not reimburse him for its cost. A tax on boots increases
the price of boots; a tax on corn increases the price of corn and bread. But the tax is not the immediate cause of
the increase in price. The proximate cause is the effect of the tax on the supply of the boots "and grain. If the
conditions of the market are such that an increase in the price is impossible—that is, if the supply is so
abundant, relative to the demand, that it would be impossible for vendors, to dispose of their stock at enhanced
prices—then manufacturers of boots and producers of grain will reduce their output—diminish the supply—to
the point at which the price will rise sufficiently to cover the added cost of production due to the tax.

The equalising effects of competition must always be kept in mind. Profits tend to an equality in all
industries, because capital is ever seeking the most profitable investments, and being mobile, is readily
transferred from one branch of production to another. As soon as a particular industry offers profits above the
general level, streams of capital from all directions begin to flow into it; and the influx continues until the
increased output brings prices, and therefore profits, down to normal.

A precisely contrary effect is produced where the profits in a particular industry (through over-production
or contracted demand causing a drop in the price of the product) have fallen below the normal. Capital leaves a
non-paying industry with all the expedition possible, and all new capital is repulsed. As capital flows into the
more profitable, it flows out of the less profitable industries.

So if a tax is imposed on the products of one particular class of producers, their branch of industry is loaded
with a special burden which, unless prices are raised, will lessen profits. Now so far as competition was
operative, the profits before the tax could not have been above the normal. That being so, the tax causes them to
fall below the normal. Capital starts to leave the taxed industry; supply is thereby diminished; with diminishing
supply, the demand remaining the same, prices begin to rise; and the process goes on until prices have reached
the higher level which, after payment of the tax, will yield the ordinary rate of profits. Such are the adjustments
which competition effects between trade and trade.

It becomes obvious, therefore, that to tax a commodity, the product of labour, will raise its price through
the effect upon supply. Thus the burden falls upon the consumer. But tax land or anything the supply of which
is independent of human effort, and there is no tendency set in motion to reduce its quantity or supply. The
withdrawal of labour and capital from land cannot reduce the supply of it. Now price only varies with the
variations in supply or demand; and as a tax on land cannot affect either, the relation of supply and demand
cannot be disturbed, hence the price of land cannot rise. In other words, a tax on land values, in the economic
sense, must be borne by the landowner: it cannot raise the value of land; therefore it cannot raise the rent of
land; therefore it cannot be shifted upon the tenant or the user of land.

This proposition is of the first importance. Tax the goods of the grocer, the baker, the bootmaker, and the
burden is shifted by them upon the consumer, by means of increased prices. Tax the land of the landowner, and
he has no power to rid himself of the impost. An increase in the price of his land is impossible; he must pay the
tax himself: he cannot recoup himself from the lessees, tenants, or purchasers, because competition, operating
through the laws of supply and demand, disables him from obtaining any higher price for the use or sale of his
land on account of the tax. Upon this point there is absolute unanimity on the part of writers on Political
Economy. Indeed, it will appear later, a tax on land lessens the value and rent of land—a tendency which finds
no parallel in the taxation of other commodities.

Let the argument under this head be closed with a brief summary of the conclusions. A tax on articles
produced by labour lessens their supply, and increases their price; it furnishes less for consumption, and
provides this less at an enhanced price; a tax on land or any natural agent not produced by labour does not
lessen the supply of land and does not increase its price. A tax on commodities, although at first paid by the
producer or dealer, is ultimately paid by the consumer: a tax on land is paid by the owner, and cannot be forced
on tenant or purchaser. Finally, by shifting taxation from commodities to land values, a discouragement to
production is removed, or what amounts to the same thing production is stimulated. The taxation of land values
encourages, the taxation of the products of labour discourages, production.

Secondly: Land taxation increases a nation's productiveness by rendering land more easily available for
industry. Land lies at the basis of all production; it is the storehouse of the raw materials which labour works up
into consumable goods. From it come the cereals; upon it are fed the animals which provide man with meat, the
sheep that furnish him with wool; in its "womb" are the ores which labour can fashion but not create, and the coal
which animates the world's workshops. In "Past and Present," Carlyle says:—

The land is the mother of us all: nourishes, shelters, gladdens, lovingly enriches us all. In how many ways,
from our first waking to our last sleep on her blessed mother-bosom, does she as with blessed mother-arms
enfold us all? . . . Mystic, deep as the world's centre, are the roots I have struck into my native soil; no tree that
grows is rooted so. From noblest patriotism to humblest industrial mechanism, from highest dying for your
country to lowest quarrying and coal boring for it, a nation's life depends upon its land.

Lafcadio Hearn, that wondrously sympathetic writer on Japanese life, sounds a note of warning to Japan as
she opens her ports to foreign commerce, and her mind to Western ideas: "When Japan yields to foreign capital
the right to hold a rood of land, it will sell its birthright and liberty."

It were needless to emphasise the importance to a country of an abundance of fertile land. It is equally
important that such land should be readily accessible to labour. Land locked from productive effort contributes
nothing to a country's prosperity, and by diminishing the supply available, for industry, causes rents to rise and
the productive capacity of the country to be contracted. No nation can reach the high-water mark of wealth and
prosperity unless its soil is open to the efforts of labour and capital. Slowly this truth is laying hold of the
Liberal Party of Great Britain. At the beginning of the year the Prime Minister of England, at a political
demonstration in Glasgow, uttered the following significant passage:—

When I see the time of the House of Commons occupied tor days together in discussions about the rights of
landowners in their pheasants and hares, and when I am told that the only class of rural work which lies
increased during the last few years is the game-keeping class, and when I hear that from one district to another
the demand for land for the purposes of labour is met with a blank denial, I say we should fail in our duty if we
sat with folded hands consenting to such a state of things. Our task as reformers is to apply such terms to the
land as will facilitate its utility to the utmost. We must see that no arbitrary obstacles are set in the way of that
demand.

The evil of locking up land, whether for speculative purposes, for parks, or game preserves, is obvious to a
moment's thought. Economic rent arises, as we have seen, from the niggardliness of nature. Did the supply of
suitable land grow with the needs of an advancing population, rent would be unknown. It is to the limitation of
the supply of land that we must ascribe the rise and growth of rent. Well, then, whatever lessens the supply of
land available to meet the demand for it for productive purposes raises rent, or, in ether words, increases the
price which labour must pay for the right to the use of that natural agent, which is at the foundation of all
industry. The converse is true, that whatever increases the supply of land available to meet the demand lessens
rent or decreases the price which labour must pay for the use of it.

Now what effect would a tax on the value of land have upon land withdrawn by speculation or lordly greed
from cultivation or use? It would have to be paid by the owner, for we have seen that it could not be shifted on
to the producer or consumer in the shape of increased rents. The tax would thus increase the cost of speculation
or game-preserving. The profits being diminished, or the burdens augmented of locking up land, straightway
owners would begin to throw open such land. If the tax were heavy enough, no man could afford to withhold
his land from productive purposes. To tax land is always to discourage speculation, is always to bring idle land
into cultivation and vacant land into occupation. It is harder to bold land speculatively for a rise in value when
an annual tax is levied while the speculator waits for a rise, than when no such tax is imposed. Wherever rating
on unimproved land values has been tried in New Zealand, it has invariably been the means of bringing vacant
lands upon the market. A tax on land, therefore, increases the supply of land accessible to labour. By doing so it
lessens the value of land, and thus the rent. Value depends upon supply and demand, and the tax, by unlocking
land, increases the supply: hence the price of land falls, We have already seen that a tax on commodities
increases their price, whilst a tax on land has no such effect on the price of land. We can now advance a step
further: a tax on land decreases the value of land. Not only is the tax paid by the landowner, but the rent he can
obtain for it is reduced.

Again, let us sum up the results of a land tax. It cannot raise the value of land; it cannot raise the rent of
land; it cannot be shifted upon the tenant or user of land. On the other hand, it can and does lessen the value of
land: it does lessen the rent of land; it falls upon a value unearned by individual labour; it falls upon a value
created by public expenditure, general enterprise, and growth of population; it relieves industry to the extent
that it takes the place of imposts on the products of labour; it renders speculation unprofitable; it increases the
quantity of land accessible to labour; it enlarges a community's productive capacity. In short, its action in lifting
burdens, off industry and unlocking land promotes abundance of commodities and abundance of land.

A land tax has effects which reach far beyond the supply of industrial activity, and augments the
fruitfulness of a country's revenue by the cheapest and most equitable means. It stimulates industry. Doing this,
it deserves the earnest attention of electors.

Chapter XII.

Labour and the Land Tax.

In this chapter an attempt will be made to establish the following propositions:—
A Land Tax increases the employment of Labour.
It increases the fund from which Labour is remunerated.
It effects a more equitable distribution of this fund,

1. Whatever stimulates the use of land calls for more labour-The structure of the industrial system rests upon land. No industry is independent of its service. Labour cannot exert itself apart from land, even in manufactures. Throughout all branches of its effort, it must have land to work upon. The higher the price it has to pay for the use of land, the greater the impediment to its productive energy. Cheap land is beneficial to production. The dearer the land, the heavier the toll upon industry. Now, land is cheap when it is abundant. Anything which increases its abundance lowers its price, or value, or rent. A substantial Land Tax renders it unprofitable to hold land out of use for speculative purposes. Since a Land Tax cannot be shifted from the shoulders of the landowner, he cannot afford to retain his land except by making it productive. Mere speculators become eager to sell their land. This operates in the same way upon price as an increase in the supply of land. More land is available for those who want it for use and occupation. A landowner cannot continue long to pay a heavy Land Tax unless his land is yielding him a revenue; it cannot yield him a revenue unless it is put to some productive or useful purpose; consequently the landowner must use his land, or sell it to someone who will. In other words, all the land idle, vacant, and disused before the Tax will, by the powerful incentive operating on the minds of its owners, be brought under cultivation or under occupation. Necessarily incident to this process is a keener demand for Labour. To bring land into use, hitherto held by speculators, is, perforce, to stimulate this demand. Furthermore it has the same effect in cheapening land as an increase in its supply—which, indeed, it is—and cheap land always leads to greater industrial activity. Thus industry is quickened and the employment of Labour increased.

2. There are three agents of production—Land, Labour, and Capital. The only source from which these agents can obtain reward for their services is the total product of their combined operation. To increase the total product—the output of the nation's industries—is to enlarge the fund from which wages are drawn. A Land Tax stimulates production by relieving producers at the expense of the owners of a gift of Nature and by opening up land withdrawn and closed off from industry. Besides.) Land Tax. by promoting industrial activity, must of necessity increase the national output. More employment is found for Labour; that which is employed is discouraged less by taxes on its energy; hence the total output is greater, and this alone is the fund from which Labour can be paid.

3. The total product of the factors of production being increased, how does the Land Tax affect its distribution among those factors? There is an augmented fund for division. Will Labour secure a share of the increase? The whole product is divided into rent, wages, and profits. Rent, and wages, and profits equal the total output. A Land Tax will lessen rent, or the share of the landlord. In the first place, he will have to pay the tax himself. That alone will reduce his rent. Besides paying the Land Tax, he will find that the tax, by bringing more land on to the market, lessens the value of his land, and therefore still further lessens his rent. It thus appears that, although there is more to be divided the landlord will get less than formerly. Consequently, either the labourer or the capitalist or both must benefit. If the landlord gets a diminished return from an augmented product the gain to the other agents must be considerable.

The gain to the labourer is clear. He will pay less as rent for his house. He will pay less in taxes to the Government, the landlord contributing to the revenue what formerly was a charge upon commodities and industry. In addition to this, there is a larger fund to be divided.

The effect upon the remuneration of Labour of land taxation will appear most clearly from taking an extreme case. Suppose the Land Tax superseded all the other taxes and became the Single Tax, that all the revenue of the State was drawn from this tax, and that the land was taxed up to its full annual value. In this case, the profits of the private ownership of land would be wholly taken away. Land would have completely lost its selling value. The landlord would be not better off than a tenant. He would have to pay to the Government in taxes the equivalent of the rent he formerly obtained before any tax was imposed. Ownership apart from occupation would be rendered impossible. The State would practically be the universal landlord, and the tax would be the rent paid by occupiers and cultivators. The very name "Single Tax" assumes that the yield of the tax would be sufficient to meet the needs of Government, and that all other taxes are remitted. The gain to the labourer is obvious. In the form of a tax he would pay his rent to the State and be relieved entirely from all other burdens. In New Zealand the revenue derived from Customs taxation is £3 4s 3d a head. This constitutes a heavy load on the resources of large families, which has to be borne in addition to the burden of rent. Great relief would follow the remission of that taxation alone.

As a matter of fact, the total expenditure for the administration of State affairs in New Zealand for the year 1906 was £7,774,926. The unimproved value (economic or unearned value) of the land of the Dominion for the same year was £146,682,465. Calculating the annual value of this at 5 percent., we obtain the sum of £7,334,123. This is the amount the Single Tax aims at appropriation for public purposes. It comes short of
meeting expenditure by £440,803.

Now, the Postal and Telegraph Service and Stamp Department of the Dominion cost £617,270, and yielded a revenue of £1,365,727. If this item is eliminated from the revenue and expenditure account, there remains an expenditure of £7,157,656 to provide for. This would be amply met by £7,334,123 drawn from land values by the Single Tax, and £748,457, the excess of revenue over expenditure in the Postal Service. Indeed, there would be a surplus of £924,924. Therefore, allowing for a depreciation of a million pounds sterling in the unimproved value of land as a result of the imposition of the tax, the Single Tax would yield sufficient to meet the expenses of all the departments of State except the Stamp Department. That means that incomes might be free from taxation; that death dues, fees on registration of the transfer of land, and all Customs duties might be abolished, and that the public railways might be as free as the public roads.

In this calculation account has not been taken of taxation for municipal purposes. This yields £1,258,125, or £1 8s 8d per head of population. In order that this might be remitted, some revenue would still be required from the railways. The revenue from this source was £2,624,600 in 1907, twice as much as the revenue from local taxation. By making the fares and freights 50 per cent of what they now are instead of abolishing them altogether, the revenue from the railways would be sufficient to meet all the expenses of local government.

The gain to Labour would be tremendous. It would pay rent to the State and pay for posting of its letters and the sending of its telegrams, but every other Government service would be absolutely free, and all the commodities it consumed would be as cheap as unrestricted trade and untaxed production could make them. The New Zealand Official Year Book estimates the revenue received per head of population at £8 12s 6d. This is what each citizen pays on the average to the State. The estimate is easily verified by a glance at the statistics of population and revenue. The population of the Dominion is less than a million, and the revenue is considerably over £7,000,000. Deducting the revenue obtained from stamps, we have an average contribution, then, by each person of £7 2s 6d, which the Single Tax would remit.

The saving can now be calculated. Take a man with a wife and five children. The family, if an average one, pays under the present system, out of its earnings, £49 17s 6d to the State. Tim payment being rendered unnecessary by the Single Tax, there would be a saving to the family of nearly £1 a week. It would be a clear gain. Rent, it is true, would have to be paid to the State to make up the revenue that had been foregone, but this would simply involve paying to the State what formerly had been paid to the private landlord.

The above, however, is a low and inadequate estimate of the saving. As we have already seen, one of the characteristic evils of indirect taxation is that it takes out of the pockets of the people more than it brings into the public coffers. It is costly to collect and the middlemen and retailers get the ordinary rate of profits on the taxes paid. The gross payments by the public as the result of Customs duties must be at least 25 per cent, greater than the net receipts of the Government. From this cause alone the abolition of indirect taxation would effect a saving to our average family of £5 5s a year.

But we are still far from having arrived at an adequate estimation of the gain. Land values would certainly decline under the imposition of the Single Tax. If they dropped in the aggregate £1,000,000 the revenue from the tax and the postal service would still sufficient to meet expenditure. This diminished value of land would make the amount payable to the State as tax less than the rent payable before the tax. Here would be a further saving.

The great gain, however, has yet to be accounted for. There would be an amazing vigour imparted to industry. The productive ness of Labour would be increased beyond calculation.

The remission of the taxes on improvements and the products of industry, coupled with the forcing of all land into use, would give such a stimulus to industry, would so quicken the demand for Labour as not only to absorb the unemployed but to raise the rate of wages. The demand for Labour being keener, wages would rise. Now, if we take the “Single Tax” as a rent, we arrive at the following conclusion: The effect of its incidence would be to charge wages, and at the same time immeasurably to lessen the charge upon wages. First, the aggregate produce to be divided would be greater. Second, the proportionate share of that accruing to Labour would be greater. On a low estimate, the gain to real wages could not be much less than 50 per cent.

To show the benefit of a Land Tax to Labour needs no further argument. To the extent that the Land Tax supersedes taxes, the advantages that have been enumerated will other follow. The tendency of its operation is, uniformly, to promote industry and augment its products, to increase wages, and to furnish abundant employment to Labour.

Chapter XIII.
The Farmer and the Land Tax.

The most strenuous opposition to the land tax comes from the small farmer. He looks upon it as a burden specially placed on his shoulders to the relief of the city dweller. A very little examination will show that this attitude arises from an imperfect acquaintance with facts and a misconception of the operation of a land tax.

The working farmer, whether farming his own land or that of landlord, would receive immense gain from a heavy land tax. The benefit is twofold: cheapened land and a lightening of the burden.

In no other country in the world is the taxation of land value so pronounced as in New Zealand. No other country furnishes ample data for estimating the effect of a land tax on the farmer. Consequently this chapter will draw its illustrations wholly from New Zealand. Here a graduated land tax rising to 2½ per cent of the unimproved value has been imposed upon land. Land, however, up to £500 in value is exempt from taxation. The object of the graduated tax is to compel the cutting-up of large estates, held more or less for speculative purposes. Such taxation has rendered accessible to close settlement many broad tracts of unimproved or imperfectly improved land. Many estates have also been purchased by the Government for the same purpose. This latter method however, is exceedingly expensive, and progressively so in a country like New Zealand, where the growth of land values is both rapid and steady. The present Government recognises the growing difficulty in the way of promoting close settlement by the State purchase of estates. Last year it introduced and passed through Parliament a measure increasing the graduated tax to such an extent for long render it impossible for the very large estates to continue for long intact. The effect must be to bring a great deal of land on the market. This will tend to arrest the rising value of agricultural land and appease somewhat the intense earth-hunger which prevails even in this young country. The benefit to those who want to settle on the land and work it cannot be over-estimate. Cheap agricultural land is a great boon to a country. It brings with it enlarged productiveness, and stimulates industry in all directions. Dear land represents a heavy toll upon the fruits of the earth, and throws producers into hopeless dependence on money-lenders. Were the land tax in New Zealand heavy enough throughout, all the speculative owners of land would be forced to sell. Property-holders would find that their self-interest lay in cultivating their land or selling it to those who would cultivate. Only genuine cultivators would be in the market as buyers. Speculators would, perforce, discontinue their traffic in land values. The gambling in unearned increments would stop. Land would lose its fictitious value arising from the anticipation of future increase with the enlarging needs of society. Unused land would be brought into cultivation, and locked-up land laid open to the farmer. The profits of speculation would be destroyed; the profits of farming, of legitimate cultivation, would be augmented. The tax would be beneficial to all those who desire to make a living by working the land, and disastrous to those who desire to make a fortune by trafficking in its value. Land taxation has not so far affected speculation in small properties, seeing that properties under £500 of unimproved value are totally exempt, but it has greatly diminished it in large ones.

But the land tax does more than free the farming community from the ill effects of speculation; it lessens the weight of taxation.

Suppose a substantial land tax were in operation, what would be the relative contribution of the farmers of New Zealand to the revenue. A most valuable return, B—17a, 1907, issued by the Government furnishes all the material for precisely answering this question, and a close examination reveals some remarkable facts. It is generally considered that a land tax is specially burdensome on the agriculturist with a small holding. The return, however, shows that while the total unimproved value of all rural land held in private ownership is £67,288,774, the total unimproved value of all land held in farms of less than £1,000 in unimproved value is £9,432,438. There are 10,780 persons owning land of a value of £1,000 and upwards, and 28,195 owning land of a value of less than £1,000. Thus, under a general tax, the 10,000 large land owners would pay in the aggregate six times more to the State than the 28,000 small farmers. Or, to include holders of land up to £2,000 of unimproved value, we find there are 33,404 such owners, with a total unimproved value of £17,950,364, whilst there are 5,571 owners, holding land of £2,000 of unimproved value and upwards, with a total unimproved value of £49,338,410. Thus, under a general land tax, 53,000 small and medium farmers would pay to the revenue amongst them only about one-fifth of the amount paid by 5,000 owners of large estates. The burden of land taxation is immensurably greater upon the large land owner than upon the small one. Ten thousand of the former would pay six times more to the State than 28,000 of the latter, or 5,000 would pay nearly five times more than 33,000 respectively.

Further, it is often said that land taxation is an expedient for relieving the cities at the expense of the country. The falsity of this allegation admits of easy proof so far as it refers to the genuine farmer. More than half the owners of country lands own land of less unimproved value than £500. The total unimproved value of these small holdings is £4,136,883. The aggregate unimproved value, however, of town lands held in lots of
less than £500 of unimproved value is £9,951,724. Therefore, under a general land tax, were it as heavy as a
single tax, more than half the farmers in the Dominion would pay to the revenue less than half the amount paid
by the owners of town lands of less unimproved value than £500. Even when the owners of land of up to £1,000
in unimproved value are taken, the town owners would pay half as much again as the country owners.
Two-thirds of the owners of land in the country would pay less under a land tax of any degree than the towns. If
the owners of large country estates are excepted, it is undeniably true that the burden of land taxation falls on
the towns and not on the country. Now the owners of large estates do not represent the farming community. It is
therefore undeniably true that the weight of uniform land taxation in New Zealand would be heavier on the city
site than on the farm.

But granting all this we are still met with the objection that the land tax is a class tax, that it relieves the
landless at the expense of the land-owning class. Wherein lies the justice, it may be asked, of laying a greater
portion of the burden of the administration of State on the landowner? We are told that the farmer pays at the
present time quite enough to the revenue, and should not be called on to pay any more, merely for the relief of
the worker in the town or the farm hand in the country.

The equitable grounds for taxation of land values have already been covered. The urgency of such taxation,
apart altogether from the needs of State, has been emphasised. But the peculiar feature of a land tax is that it
appeals not only to the sense of justice, but to the self-interest of the farmer. It not only unlocks land held for
speculation, and promotes close settlement, but lessens the amount of his payments to the exchequer, even if he
be the owner of the land he farms unencumbered by mortgage. On an average each man, woman, and child
contributes £8 12s 6d to the general revenue. Farmers generally have larger families than city dwellers. Take
one with a wife and six children. If the family is an average one he will pay £69 a year in the aggregate to the
State. In this death amount, of course, are included railway fares and freights, death duties, etc., as well as the
proceeds of ordinary deficiency of revenue adequate Single Tax to be in operation. Without any deficiency of revenue,
all these payments except those for the use of the postal and telegraph service could be remitted. Excluding the
revenue from this service, the revenue of the New Zealand Government represents a payment of £7 2s 6d per head
of population. Our typical farmer, therefore, would have a saving of £57 to set off against the land tax. The
saving would in reality be much more since no account is here taken of the middleman's profits on the Customs
duties. What would be the farmers payment under Tax? It would depend on the unimproved value of his If he
belonged to the 10,000 owners of land under £100 in unimproved value, he would pay less than £5 a year
calculated at the rate of 5 per cent.—this as against £57. If his land, apart from improvement, was worth £200,
he would pay £10, as against £57; if £300, he would pay £15; if £400, he would pay £20. If he belonged to the
great majority of country landowners and owned a farm whose prairie value was less than £500, he would pay
owned a £25 a year, as against £57. He would require to have got into the wealthy minority of farmers and own
land worth in its proved state moie than £1,000 before the Single Tax would draw as much from him as the
present system of taxes.

If such would be the relief afforded to the farming community by the Single Tax, any land tax in substitution
of some tax indirect tax would contribute to the same end. A general tax of 1d in the £ would yield about
£420,000 to the State. A reduction of Customs of Customs duties accordingly would lessen the burden of
taxation by at least 10s per head of population. Our farmer with six children would be relieved to the extent of
£4 a year. But he With would have to pay the land tax. If apart from improvements his land was worth £100, he
would pay 8s 4d; if £200, 16s 8d; id £300. 25s; if £400, 33s 4d; if £500 (with the majority of farmers the value
is less than this), 41s 8d; if £600, 50s; if £1,000, £4 3s 4d. Land taxation demonstrably is a relief to the working
farmer as well as to the working man.

But the question here meets us, would the revenue be main tained? Land taxation destroys the profits of
gambling in the probabilities of social progress, takes away the fictitious value of land, and constrains large
proprietors to cut up their estates. It might be that this would lead to a very substantial reduction of unimproved
value, or what is the same thing, a contraction of the source from which revenue from land taxation is drawn. If
it had this effect of cheapening land, and throwing large areas of land on the market for close settlement at low
prices, the stimulus to settlement would be an unmixed blessing to the community in general and the farmers in
particular. Whether we look at the land tax from its effect in cheapening land or relieving the weight of taxation
the benefit to the farmers is clear. It would indeed have a measure of both effects. Land taxation opens land for
settlement and lessens the contribution of the small farmer to the revenue.

Chapter XIV.
The Injustice of Single Tax.

The perusal of the previous chapter might lead the reader to pronounce the writer a Single Taxer. He hastens to dispel any such erroneous conclusion. Single Tax could cure social evils only by the infliction of a great injustice. No country could adopt it without lending itself to a measure of confiscation. It economie land values are an unearned increment, and wholly so. But the present proprietors of those values have, in many case purchased them with the earnings of hard and continuous labour. They have purchased the unearned increment by an earned increment. In an advancing community the unimproved value of land grows almost daily, but the increment of a year is a small proportion of the total increment. The man who has been in possession for a year of land growing in value has received a certain amount of unearned gain, but it is small compared with what has been obtained by his predecessors in title. The past accumulations of in crements he has paid for by the genuine earnings of labour. If the Single Tax were suddenly imposed upon his land the full annual value of his land would be taken away—not merely the annual value of the increment which had accrued during his ownership but the annual value of what had accrued before. Thus the profit arising from the investment of his savings in land would be absorbed entirely by the tax.

This is the difficulty that Single Taxers have to face. And indeed, it seems insuperable. Their reform is practically a reputation of the innumerable contracts that have been built on land values. But for the fact that men are daily buying unearned increments with hard-earned money, the Single Tax would have an incontestable claim. It may be argued that people should not traffic in land values. The answer, however, is instant. The State has given to such transactions the sanction and protection of its laws. There can be no injustice of which statesmen can take cognizance in a transaction which is in accordance with a nation's laws. It may be further argued that it is the very "nature of wrong principles to bring about situations from which it is impossible to go back to right principles without doing wrong to somebody. The Single Taxer stands on ground from which it is hard to drive him. The radical cure of any malignant disease involves an accession of immediate pain. To the man possessed of devils in Galilite the pain of exorcism by our Saviour was torture in the extreme tearing and almost bursting the body; but the suffering of acute as it was, was nothing compared to the milder interminable suffering of continued possession. So, when society wishes to purge off a great distemper, it must be prepared for a season of disorder and distress. The purging must not be stayed because of suffering to this section of society or to that. It is characteristic of progress to inflict hardship and deprivation on the individual in the interests of the race. There is a relentlessness about all movements of humanity onward and upward, and we must be careful that our efforts are not weakened by too great a softness in our regard of cases of individual suffering. The abolition of slavery in America was not accomplished without wrecking the fortunes of many a one, whose only fault lay in having built up industry on a basis of slavery recognised by his country's laws. The reformer must needs have something of the temper of the sword and of the ardour of the flame, hard and undiscriminating, when he is to work a great work of healing on society. If, then, nothing but the Single Tax can redress the grave inequalities of our industrial system, no consideration of those who have made contracts on faith in existing conditions can be allowed to stand in the way of its adoption.

This extreme remedy, however, is not necessary to accomplish the in view less drastic measures will avail, effecting a large gain to the community at a minimum of cost to the individual. Land values are progressive, and land taxation should be progressive. The gain would be incalculable if all future increments were appropriated for State purposes. This was the expedient advocated by John Stuart Mill. He proposed an assessment of the unimproved value of the land of Britain. That assessment was to be the starting-point of a system of taxation of land value. Any further increase was to be subject to a tax up to the full rental value.

Had his scheme been adopted, all traffic in future unearned increments would have been stopped, and the enormous wealth which has been poured into the pockets of individuals by growing land value since Mill wrote would have gone to enrich the State, to the immeasurable relief of British workers and British industries. Mill died in 1873, and W. H. Dawson tells us that between 1871 and 1886 the increase in the economic rent of the land of London alone was £6,092,680. The whole of this sum would have been available for public purposes had Mill's advice been followed, as well as the immense increase from 1886 up to the present time.

The expedient of Mill might well engage the mind of the Australasian Colonies, where unearned increments are growing so rapidly, and are destined to reach such colossal proportions. In New Zealand, the unimproved value of land has grown at the rate of £3,000,000 a year for the last fifteen years. If the mistaken policy of the past cannot be retrieved without doing violence to private interests, the future offers a vast field where reform can be secured without injustice to individuals. Of one thing there can be no doubt. Democracy must write upon the top of the slate Land Taxation. In the list of urgent economic reforms this is the first and
greatest. It cannot be effected without any such financial undertaking as the schemes of Socialism require, It requires no increase in the financial obligations of the State. And it must be attended to, and that promptly. Let the labouring class turn their enfranchised glance upon it. Let Democracy arise in the might of its new-born energy and assert the claims of industry. Let it stand upon the broad ground of the justice of its cause. Equity demands that an end be put to the system by which unearned increments flourish at the expense of the earnings, of toil. Let it look forward to the future, and fill its heart with a hope that cannot be defeated. Strong in the right, let it advance to the quickening of industry, to the employment of the unemployed, to the augmenting of productivity, to the increase of wages. In short let it declare for land taxation which will increase the national wealth, and at the same time ensure a more equitable distribution of that wealth. Here is a reform which makes no attempt to benefit one class of producers at the expense of another. Here is a reform which does not attempt to bring benefit by creating an artificial scarcity of commodities like Protection. Here is a reform which does not offer any impossible road to wealth by the manufacturing of money. Here is a reform which does not involve an immense outlay in the purchase of industries and natural agents like Socialism. This is a reform which requires no revolution for its adoption. It can be effected with ease, and without a violent wrenching of vested interests. It is a reform which increases wages by unfettering industry; which pours wealth into the lap of Labour by securing greater abundance of land and a greater abundance of commodities.

Chapter XV.

Character.

The analysis of economic conditions has led to the conclusion that the principles on which the wealth of a modern civilised community is distributed among the factors of production require readjustment on a more equitable basis. But a bigger problem confronts us than the economic one which has so far occupied our attention—the problem of character. A nation's most valuable asset is a people of strong bodies, supporting strong minds, governed by strong conscience.

Long ago Ruskin bethought him to examine philosophically the busy life of the manufacturing towns of Britain. He went from London to Birmingham, from Birmingham to Manchester, from Manchester to Glasgow. His admiration was evoked at the elaborate industrial organisation. He noticed the large sweep of the employers' intellect, and the delicate skill of the operative. He found that no place in the world could equal the Clyde for shipbuilding, that Manchester stood pre-eminent in cottons, that Sheffield feared no rivals in cutlery, that Leeds occupied pride of place in woollens. He marvelled and exulted at the degree of excellency his countrymen had attained in the manufacture of commodities. Then he visited the quarters where the workmen were lodged. He inquired into their manner of life, the pursuits of their leisure hours, their qualities of character, and his heart sank. He left those manufacturing towns freighted with the heavy conviction that on Britain lay the imperious duty of establishing factories for the production of character. Without sparing, money had been poured and labour spent on the manufacture of linens, cottons hardware; but the time had arrived when some of this energy and some of this wealth should be directed to the manufacture of men. Good, strong men were more than good, strong cloth. The obligation was clear: England must apply herself for the next generation to man-making.

Truly the problem of character towers above all others. How are we to strengthen the bodies, furnish and train the minds, and knit closer the moral fibres of men? When we can faithfully answer that question there will be no disease wrought by passion to lessen productive power, there will be no prejudice born of ignorance to bolster up economic fallacies, there will be no depravity nursed by intemperance to fill our gaols. Let this question stand out in all the prominence which its importance justifies. What is the strength of this element of character in national life? It is predominant, and has ever been so. The decline of a nation's prosperity is the inevitable accompaniment of the decay of the character of its people. All sane men ascribe what measure of superiority Britain possesses to the stamina of her people. Brassey, in his monumental work on "Wages," gives us the experience of his father as a builder in all parts of the world as to the comparative efficiency of British workmen. He found in building the Paris and Rouen line that, although English navvies received 5s a day and French navvies only 2a 6d, the former were cheaper workmen. On comparing the cost of adjacent cuttings, in precisely similar circumstances, one excavated by a gang of Englishmen, one by a gang of Frenchmen, the work of the former was done at a lower cost per cubic yard than that of the latter.

A strong people is more in the making of a great nation than ample resources. Abstract the British people
from the British Isles; replace them with forty million Asiatics; give these Asiatics the benefit of British laws, the guidance of British statesmen, the control of the British navy, the possession of British ships, and the management of British factories; give them everything except British grit and character, and the ascendency of the star of Britain will be arrested, its decline and fall will be speedily accomplished. All these things are accessories; character is the essentia.

As we stretch our gaze down the course of the world's history and watch the rise and fall of nations, we are struck with the preponderant influence of human character in moulding the destinies of nations. It was the spirit of freedom which the Greeks breathed in from the expansive sea that exalted them as a nation and made their intelligence and physique the wonder of all time. But a distaste for steady industry, a relegation of labour to slaves, weakened the spring and grip of their mind. A more pronounced degeneracy of character dashed the sceptre from Rome's imperial hand. Five hundred years before Christ Rome drove her Tarquin kings beyond her walls because of a moral lapse, and established a republic. From this time she advanced steadily in power, bringing province. "after province and people after people under her dominion. "Roman citizen" then stood for honour, liberty, and prowess in war. His religion was an intense worship and consistent practice of the cardinal virtues. In temples, raised by hands that found joy in labour, he offered sacrifices to the highest human excellencies-to "Valour," to "Truth," to "Good Faith," to "Modesty," to "Charity," to "Concord." Each virtue had its shrine. The reverent imagination elevated each into a god, able and resolute to inflict dire penalties in case of deviation from integrity. The Roman was a Stoic, disdaining the weakness which would murmur under pain or misfortune. He steeled himself against the "blows of circumstance," learned to stem the angry flood of life with "heart of controversy." Morality was grooved into habits of action. Its inward "must" held empire, and produced a man with fibre like that of the oak, which withstands the tempest as the zephyr. Truly the Roman, in the heydey of his power, challenges our admiration.

But as the imperial city extended her boundaries beyond Italy and carried her victorious arms east and west, wealth accumulated and men decayed. Into the lap of mighty Rome the subject provinces emptied their horns of plenty. Conquering warriors returned home with captives innumerable chained to their chariot wheels. These poor slaves, the victims of war, were made the drawers of water and hewers of wood for their masters. The Roman forsook agriculture, relegated his toil to slaves, and devoted himself to sumptuous living. The Roman patrician, finding slave labour cheaper and more docile than that of free men, substituted it upon his farms and plantations. The unemployed gravitated into the city to demand bread. With the increase of riches came increased poverty. Formerly duty had been of more weight than pleasure, and justice stronger than expediency. But now that the world paid Rome tribute, and nations sent their best men to till her fields; now that the free cultivators had disappeared from the soil, and Italy was being absorbed into vast estates, the Roman citizen lost his stoicism; his patriotism waned; his religion, from being a condition which regulated life, degenerated into an opinion. The outward form—the shell of these virtues—remained, but the kernel was withered up. Patriotism and religion received a lipservice only; cant gripped the utterances of men. The higher classes deemed it their supreme function to dress elegantly, dine sumptuously, and live sensuously; the poor asserted their right to be fed without labour. The young patrician spent his days in perfumed baths, his nights in wild orgies. He became more solicitous about the curl of his hair than the set of his muscles. The tie of wedlock, so strong in the best days of the republic, he laughed at as prudish. For a time, indeed, the law of marriage was practically suspended. Cicero put away Terentia when she was old and married a young woman. Cato made over Marcia, the mother of his children, to his friend Hortensius, and took her back as a wealthy widow when Hortensius died. So vice and luxury relaxed the fibre of the people. Empire cannot build or maintain itself on flaccid character. Hordes of rude, strong, nature-fed savages from the North eventually overwhelmed imperial Rome.

With pardonable pride we look back to the fourth and fifth centuries, when successive migratory waves brought to the shores of Britain the strongest members of the strongest races of Northern Europe. From that time to this it has been superiority of character, daring and resourceful, which has enabled the British nation to withstand many a staggering shock, and, at length, lift herself to the exalted position of a nation on which the sun never sets.

But is there no ground for misgiving? Are the elements which wrought the dissolution of Rome utterly absent? May we not be vain-glory? May not our imperialism be of the kind which grasping after territory, neglects the conditions which make an imperial race? Are we not in danger of reckoning our greatness by statistics of shipping and trade, by strength of navy and [unclear: re] serves of banks? National charcter may not be wanting, but there is much to cause alarm.

If history establishes that luxury enervates, how shall we view the statement in Marshall's "Principles of Economics":—"Perhaps £100,000,000 are spent by the working classes and £400,000,000 by the rest of the population of England in ways that do little towards making life nobler or truly happier." Of the whole purchasing power of the English people one-third is spent wastefully.
An analysis of the statistics of poverty affords abundant evidence of the causes undermining national strength and weakening character. Professor Warner, in his "American Charities," tells us that misfortune causes 74.4 per cent, of the world's poverty and misconduct causes 21.3 per cent. He furnishes a detailed table of those causes, but the three main ones are sickness or death is family, lack of employment, and interdependence. The first account for 23.6 per cent, of the poverty, the second for 17.4 per cent., the third for 11 per cent. He bases his conclusions on investigations made in Great Britain, the United States, and Germany. Charles Booth, in his monumental work on "Poverty," commenting on the third cause, says:—"Of drink in all its combinations, adding to every trouble, undermining every effort after good, destroying the home and cursing the young lives of the children, the stones tell enough. It does not stand in apparent chief cause in as many cases as sickness and old age, but if it were not for drink, sickness and old age could be better met."

Another writer says:—"The four great causes of pauperism and of degraded city life have long seemed to me to be these: 1 Foul homes; 2 intoxicating drink; 3 neglect of child life; 4 in discriminate almsgiving."

Such are the conclusions of men whose research and ability qualify them to express an opinion.

Now, philanthropy has never wearied in its efforts to relieve the appalling distress. The activity of charity organisations bears eloquent testimony to the benevolence of mankind. But the question is beginning to obtrude itself, and ever With greater at and greater insistence, whether the prolific causes Permanently be work creating want, vice, crime, disease, and death, may not be wholly or in large degree eradicated. It seems vain to waste energy on singles cases of relief, if wisely directed effort might dry up the sources of the woe. Seventy-four per cent. of it is attributed to misfortune. But old age and sickness would only reduce to destitution where the earnings of the family in health were on the margin of subsistence. So much distress attributable to misfortune argues unjust economic conditions. Were wealth fairly distributed, labour justly rewarded, the labouring class would have no difficulty in preparing for sickness and old age. Put into operation the reforms suggested in the previous part of this work, and the greatest of all causes of poverty would be incalculably weakened. Unearned incomes must be assailed with vigour, that the toilers of nations may enjoy the fruits of their industry, and lay by stores for the seasons of afflication. Human beings whose whole healthy energies are necessarily absorbed by the effort to secure the means of a bare physical support are ruined when sickness overtakes them. Even in New Zealand, with its relatively high wages, it requires a species of heroism to rear a family on £2 a week, as many thousands do, and maintain the family independence through every alternation of its fortune.

Economic reform is urgent, yet each step in the industrial advancement should and must, if the gain is to be permanent, be followed closely, and secured by a corresponding advance in the moral and intellectual character and habits of the people. Whilst removing the economic causes of inefficiency, we must be earnest in attacking the social and moral causes.

It will have been observed that the figures quoted relate solely to the causes of pauperism. Now, pauperism is by no means an infallible index to character. Generally speaking, no doubt the pauper is such because of a weakness of some kind, which unfitts him for the stress of our competitive industrialism. There is usually a lack of mental or moral robustness. Nevertheless, men of stout heart and firm principle may be overthrown by a calamity. But even if pauperism may be taken to indicate inefficiency, there are incalculable elements of weakness in society above the poverty line, elements which generate crime and contract beyond measure a nation's productive capacity. Intemperance, lust, gambling—who can estimate their baneful influence? Marshall says a fourth of the world's expenditure makes no contribution to human happiness or strength. Insanity is on the increase. The most disquieting reports reach us of physical degeneracy in the candidates for the Army, and of defective constitutions of school children. Everywhere we see energy misdirected, leisure misspent. Our policemen lawyers, and magistrates are wrestling daily with crime. No doubt the dangerous classes are almost always poor, but vice and inefficiency are not peculiar to any grade of society. The virus permeates through all.

Now, let the grand truth again be emphasised: the foundations of a country's greatness are not battlements and armies, but the virtue and intelligence of its people. The problem then presents itself, how is national character to be improved? The sovereign remedy is
education in the widest acceptation of the term. There are always two methods of attaining an end, the positive and the negative. A conjunction of the two is invariably attended with the largest measure of success. If sound, virile character be our end, we may move towards it, positively, by the training of the faculties and furnishing of the mind, and, negatively, by removing every hindrance to such development. It is unwise to cultivate the garden and then leave it a prey to the depredator. We must be destroyers as well as cultivators, iconoclasts as well as builders. From this double activity we may confidently expect the emergence of strengthened character.

Chapter XVI.

Education.

A safe democracy must needs be enlightened. Nothing—not even Christianity—is exercising a more potent influence over the destinies of mankind than the onward sweep of Democracy. It is rushing like a tidal wave over the face of the earth. Its impetuous progress overwhelms all resistance. To some this is an omen of disaster. "The many-headed multitude, swayed by impulse and prejudice, has seized the reins of control," they cry," and the chariots of State will be driven to destruction. Cultured reason and learning have been dethroned and ignorance exalted. The masses, lacking the luxuries of life, envious of the wealth of the fortunate few, are extremely impatient of inequalities, and disposed to any policy which uproots and overturns. They manifest an intrepidity in attacking social questions which makes the wise man quake. They avance hesitancy and indecision, and with fearful boldness pronounce categorically on the most momentous and intricate questions of the time. They are guided by instinct, not reason; place their trust in intuition, not logic. They are the playthings of demagogues who set themselves to inflame class cupidities. There is danger that envy and covetousness may become the dominant factors in pol-propagandism."

Such are the uneasy apprehensions of many, and they are not without cause. However ardent our hope for the future may be, however strong our confidence in the collective wisdom of the people, we cannot but be impressed with the inadequate equipment of the masses for the exercise of self-government. The gravest problems press into the foreground—problems whose issues run through all time. The political atmosphere, the wide world over, is charged with storm. Into the night of Russia's Autocracy dart the lightning flashes of the awakening power of the peasantry. A people bowed down with the weight of centuries of unrequited toil is beginning to shake itself. Thunderclaps of strikes here and strikes there break in upon our tranquillity. Huge trusts and combines spread their lowering clouds over the darkened firmament. These problems are grave. They will precipitate revolutions if ignorance and prejudice are left to encounter them. An instructed people alone can meet them without catastrophe. "There is no more terrible sight," said Goethe, "than ignorance in action." The masses are claiming the right of government. A political Samson stalks the land. If he is blind the pillars of society will indeed be insecure; but if he sees with the eye of an instructed reason, what a mighty factor we have for the uplift of mankind. The need is imperious: Democracy must have an instructed people.

We cannot wonder, then, at the conspicuous position which education occupies in all advanced communities. It is not the writer's intention to labour a subject the importance of which is already fully recognised. A few remarks will suffice. Education should be directed to equipping men for industry, fitting them for participation in government, and teaching them the right use of leisure. As to the first, there are few who have not sufficient confidence in British skill to predict that foreign competition in trade can never injure Britain if British hands are the servants of educated British brains. What our Empire needs is not the artificial protection of tariff walls, but strengthening from within.

As to the second object of education, it is remarkable it should have received so little attention. Manhood suffrage practically prevails under the British flag, yet few who exercise the franchise understand the first principles of trade or industry. Momentous social and economic questions cannot be settled by a policy of groping. Too often, also, men enter Parliament with as little appropriate knowledge as the voters. Democracies need a wider diffusion of the first principles of political economy. Nevertheless, the rudiments of industry, commerce, and government are taught in none of our primary and secondary schools, and in comparison with the dead languages are considered utterly insignificant in our universities. Political economy, touching men in the largest concerns of their life, should rank second to no branch of learning in our national system of education.

As to the third object of education, it becomes more important with the progress of the amelioration of social conditions. The reduction of the hours of the working day is a doubtful blessing if it is not accompanied with the right employment of leisure. Higher education should not be the luxury of the rich, but in some degree
the portion of all classes. With increasing leisure there is increasing need of the development of tastes and aptitudes for that high thinking and high-feeling which comes from communion with the master spirits of the races of men.

The general diffusion of education will bring about a readjustment of social relations. There is many a man at the plough who ought to be in the laboratory, and many a man at the university who ought to be at the bench. General education will sort men out and bring ability to the top. It will apportion task to capacity. Upon this ground alone education ought to be free from the bottom to the top. There is no extravagance more prejudicial to a nation than that of allowing natural genius to run waste from lack of opportunity. The growth of national wealth is retarded when capacity happens to be born of poor parents is allowed to

Again, the spread of higher education is already beginning to have an important influence on wages. The learned professions are losing their monopoly value. Educated men crowd the intellectual and avoid the manual occupations. This can only have one result—lowering the remuneration of the former, and raising the remunerartion of The latter. Thus social distinctions arising from distinctions of wealth will tend to fade.

In this respect, education becomes a factor in the more equitable distribution of wealth. It takes away the monopoly earnings of the educated few. When writing was a rare accomplishment clerks received exceptionally high salaries; now they are worse paid than the manual labourer. This tendency should not be deplored. There is no reason inherent in natural justice why manual labour should not be rewarded as amply as intellectual labour. It is only the relative scarcity of the latter which has enabled it to secure a differential advantage. In the course of a generation or so, the intellectual walks of life, which call for little originality and little power of adaptation, will not be so remunerative as the manual, where skill is required. Indeed, generally, as Ruskin says: "We shall pay our ploughmen a little more, and our lawyers

Those occupations which are disagreeable, and become more repellant as education is diffused, will command higher relative wages. Education is changing the adjustments of supply and demand in different branches of industry, to the benefit of poorly paid manual labour. It is breaking down the monopoly of learning and equalising opportunities. The efficacy of general education for this purpose, amongst others, explains the hostility of the instructed classes in the past to all extensions of popular education.

The claims of general education upon a democracy are irresistible. It cultivates interests which employ profitably the leisure which is increasingly characteristic of modern progress. It augments productive power. Mere muscle is daily retreating before the advance of machinery Sandow can lift heavy weights, but the unreasoning horse can lift heavier, and an inanimate engine can lift still heavier. But no machine can lift a nation's mental loads. Every country wants more energy and strength of mind. Superiority here carries with it national ascendency. Again, the diffusion of education among the masses tends to redress the inequalities of distribution.

### Chapter XVII.

**Intemperance.**

We may now turn our attention to some of those national institutions and practices which tend to neutralise the uplifting influence of education. The home, the school, the workshop, the church all contribute to the formation of character. The house of ill-fame, the gambling den, the drinking-bar oppose a maleficent influence, crumbling the pillars of character so laboriously erected. The most colossal of the sinister influences is intemperance. Words cannot convey, statistics cannot measure, the wreckage it has wrought. The moral energies of Christian nations should flow out in conquering deluge to overwhelm this dreadful scourge of man.

Look at the magnitude of the problem it presents. According to the "Gambriinis"—a beer organ published in Vienna—the world's production of beer in 1894 was 5,477,862,221 gallons; that of wine, 3,432,150,000. At the average retail rate, says the "Encyclopaedia of Social Reforms," of five cents a gallon, 2,739,000,000 dol was required to satisfy the world's thirst for intoxicants in the year a rate of expenditure sufficient in eighteen months to purchase every ounce of the world's stock of gold. In the last twenty five years of last century the United States consumed 15,000,000,000 gallons, an amount which would fill a canal 20ft wide 10ft deep and 1,938 miles long. The drink bill of the United States is now 1,400,000,000 dol a year—an amount one-third more than the Public Debt, twice as much as the capital stock in the banks, a little less than the united capital of the trusts, more than half the value of all her farm products, one-third more than her total imported merchandise, and one-twelfth more than her total exports. From the United States Census, 1890, the following staggering fact is obtained: The total weight of grain used in producing sprit and beer was for one year
3,654,000,0001b. Suppose, now this grain had been ground into flour and made into bread. There would have been a certain waste in the process of grinding, but this loss of weight would have been compensated for in the water added to make the bread; so that lib of grain would have made lib of bread. To have turned 3,654 million of pounds of grain into 3.654 million of pounds of bread would have supplied a lib loaf every day in the year to over 10,000,000 people, which represented one-seventh of the total population of the country. The total estimated expenditure of Great Britain on intoxicating liquors during the last twenty-five years amounts to £4,000,000,000 or an annual average of just upon £160,000,000. In the year 1904, ending December 31, Great Britain paid for intoxicating drink £168,987,165. She paid for all governmental purposes—including all the expenses of the Monarchy, salaries of officers of State, upkeep of Royal palaces and Imperial Parliament; expenses of administration of justice, salaries of judges and magistrates, cost of prisons, police, reformatories, etc.; expenses of national defence, cost of Navy, Army, and ordnance factory; expenses of education, upkeep of British Museum, National Gallery, universities, colleges, etc.; interest on National Debt; cost of collecting revenue; cost of post office and telegraphic service—£140,325,848; £28,661,317 less than the amount spent on drink. During the last thirty-seven years New Zealand has spent £93,287,931 on alcohol—an amount sufficient to have redeemed the total Public Debt and defrayed the cost of building all her railways, and then left a balance large enough to cover all the expenses of government during the past year. From the "New Zealand Official Year Book, 1907," the following significant particulars may be gleaned;—The amount paid in wages to all the men and boys employed in all the manufacturing industries of the Dominion in 1906 was £3,979,593; the amount spent on alcohol was £3,360,121. The money spent on intoxicants would in less than four years purchase all the land, buildings, machinery, and plant used in all the industries in the Dominion. Last year the money spent was three times as much as the rates levied by all local bodies, and more than the total value of all butter, cheese, and frozen meat exported for the year. Taking round figures, Britain now spends £164,000,000, United States £240,000,000, Germany £150,000,000, Australia £15,000,000, New Zealand £3,000,000 a year on alcohol.

Let us look at this vast problem, first, in the light which political economy sheds. Political economy is the science which treats of wealth, its production and distribution. It is considered to have nothing to do with moral questions, except so far as they affect material prosperity. If the economist treats of gambling, he treats it as a vice lessening thrift and leading to impatience of steady industry, and thereby diminishing productive power. He has nothing to do with its immorality as such. In the same spirit he approaches the liquor traffic. He turns a deaf ear to all tales of woe founded on drunkenness, and asks: "How do the drinking customs of the people act on the production and distribution of wealth?" This is the eternal question by which he strives to meet any assault of mere sentiment. The excesses of an alcohol-loving husband fill up the measure of the wife's cup of sorrow; the economist stands immovable as a statue, and frigidly inquires if the man's industrial efficiency is impaired by his immoderate indulgence. Let us bring the liquor traffic to the bar of the judgment of political economy. We will look at the operations of the traffic from the point of view of the cold, unfeeling, soulless man concerned only for that wealth which consists in the multitude of marketable goods. The examination will convince all those free from incurable bias that the economist joins hands with the moralist and philanthropist in condemning the traffic in strong drink. To secure this conviction we have only to establish four propositions:

- That the expenditure on alcohol is wasteful—in the economic sense, that in no way does the expenditure strengthen a people as producers of wealth.
- That the expenditure impairs the industrial efficiency of a people, thereby lessening their productive capacity.
- That the expenditure accentuates the unemployed problem by taking away employment from labour.
- That the liquor traffic costs more to the State directly than it yields in revenue.

Let us address ourselves to the first proposition. What contribution to national character, efficiency, or wealth does this enormous expenditure make? Does the alcohol feed the body or promote physical efficiency? Medical opinion a generation or two ago inclined to the affirmative. To-day it answers almost unanimously: "No!" In 1885 the French Academy of Medicine, one of the most illustrious scientific bodies in the world, in adopting a series of resolutions affirming the desirability of strictly regulating the consumption of alcohol, asserted without dissenting voice that alcohol of all kinds was a poison. The minutes of the British Medical Association show that the same opinion is held by the bulk of the medical profession in Britain. It is true that a few months ago a manifesto was issued in favour of moderate drinking of alcohol, signed by sixteen medical men. The manifesto engineered by a lawyer, and many of the signatories have since expressed their regret at signing. Many of the others are large holders of brewery shares. Besides, the manifesto is counter to the opinion of many of the leading physicians of Britain, such as Sir F. Treves, Sir T. Barlow, Sir W. Horsley. Sir Lauder Brunton, Professor S. Woodhead, Professor Osier, etc. Indeed, it seems doubtful whether alcohol is really useful as a restorative or medicine. The experience of the London Temperance Hospital is almost conclusive as
to the value of non-alcoholic treatment. All kinds of cases are dealt with, and the cures there are more numerous than in any other hospital in which alcohol is used. During a period of ten years, says Dr M’Lintock, actuary of the Mutual Life Insurance Company of New York, the Chicago hospitals in which alcohol was used in pneumonia showed a death rate of 28 to 38 per cent. Treatment without alcohol during the same period at the Mercy Hospital showed a death-rate in pneumonia of less than 12 per cent.

The experience of life insurance companies speaks with equal authority. There are many now who have a special temperance section, offering easier terms of insurance to abstainers. The following are the results of thirty-four years’ experience of the United Kingdom Temperance and General Provident Society:—

Total Abstinence Section.—Expected death claims, 8,048 for £1,889,628; actual death claims, 5,724 for £1,298,348. Total gain,

There were 2,324 fewer deaths than were expected; and £591,280 less to pay than was expected.

Non-abstaining Section.—Expected death claims, 10,869 for £2,463,253; actual death claims, 10,469 for £2,379,242. Total

The difference is most marked. The non-abstainers show only 400 fewer deaths than were expected against 2,324 of the abstainers; and only £84,011 less than expected against £591,280. Apparently total abstinence tends to longevity. Mr T. P. Whittaker, M.P., a recognised authority on insurance, says that the actual tables of this Society show that from twenty-five to sixty years of age the average mortality amongst abstainers is 40 per cent less than that in the moderate section. Dr M’Lintock reported to the Actuarial Society of America that the actual death-rate among moderate drinkers was 22 per cent, higher than among total abstainers.

In the face of these figures, and the generality of medical testimony, it can hardly be contended that alcohol promotes health or strengthens or feeds the body. If it does not, then the fabulous sums which nations spend on its consumption are, to say the least of it, wasted. Have we then come to this conclusion: that a people would be as rich in health and bodily strength if its beer and spirits were emptied into the ocean? Already we have advanced further—a people would augment its bodily vigour by pouring its alcohol into the sewers. Here is a challenge to the economist. Material wellbeing demands the checking of waste, especially colossal waste of this kind. Great Britain and her self-governing colonies spend £200,000,000 a year on that which in no way promotes national efficiency. The economist has little tolerance for the industry whose products are so useless that their destruction would be as beneficial as their consumption; still less for that industry whose products are so harmful that their destruction would be more beneficial than

The second proposition states that the national expenditure on intoxicants involves a deterioration of national efficiency. In an era when the international competition in commerce is so keen, no country can afford to carry burdens which crush down industrial efficiency. Neither Great Britain nor her Colonies have any producing power to throw away or misdirect. That the star of our empire may remain in the ascendant, we must expand, not contract productive capacity. By education we unfold our possibilities by "drink" we enwrap them. By education we enlarge our powers, and by "drink" we diminish them. The action of the American Railroad Companies bears remarkable testimony to the pernicious influence of intoxicants. G.—The use of intoxicants by employees while on duty is prohibited. Their habitual use, or frequenting of places where they are sold, is sufficient cause for dismissal.

There are a little more than 200,000 miles of main-trunk mileage in the United States, and the Railway Association controls 160,000 miles of it. The greater number of the Railway Companies that are not incorporated in the Association have rules equally stringent against the use of intoxicants. Many Companies both in the Association and out of it, make total abstinence under all circumstances, a pre-requisite of employment, here for instance is the form to be filled in by an applicant for employment on the Vendalia Line:—

To________________________
Dear sir,—I hereby make application for a situation as................. and if employed agree to observe all the rales and regulations of the Company, to abstain from the use of intoxicating liquors to avoid saloons and places of low resort, to conduct myself properly whether on or of duty, and to perform my duty to the best of my ability.

Rule 22 of the regulations of the Toronto, Hamilton, and Buffalo Railway reads:—"The use of intoxicating liquors is forbidden under any circumstances."

In 1908 there were 1,189,815 employed on the American railways, and it was estimated that fully 1,000,000 came within the operation of rule 'G' of the Railway Association, or its equivalent.

The Pittsburg Railway Company gave the following significant notice to its employees on the 20th April, 1907:—

**Notice to Employees**

April 20th, 1907.

For the betterment of the service and the safety of the public it will from this date be the policy of this Company to not retain in its employ men who use intoxicating liquors or cigarettes, or are in the habit of gambling. While it is the privilege of each individual to eat, drink, and smoke what he pleases, it becomes the duty of this management to have in its service only men of sober and temperate habits, physically and mentally able to perform the duties to which they may be assigned.

John Murphy, General Superintendent
Approved: JNO. D. CALLERY. Pres.

What the "Railway Age "said a few years ago is undoubtedly true that the railways of the United States now constitute one of "the grandest and most effective temperance organisations in existence." This statement is equally true of the Canadian railways.

The practice of these American Railway Companies is incontrovertible testimony to the detrimental effects of indulgence in intoxicant on industrial efficiency.

But more direct proof is available. Examine briefly the statistics of lunacy. One person in 285 in England and Wales is a certified lunatic. Forbes Winslow, M.B., D.C.L., LL.D., recently wrote:-"We are indeed a mad world at the present time, and I shudder to think what will be our condition thirty years hence, unless some stringent measures are passed by the Legislature enabling us to deal with the subject effectually. I am of opinion that degeneration, and how to contend with it, are the most important questions of the present day. It is the duty of everyone to aid in the prevention of this calamity. Out one aim in life should be to improve the intellectual, moral and physical condition of man, to prevent his degeneration, and to establish, if possible, his regeneration."

In 1859 there were in England and Wales 37,000 certified insane persons, or one in 536 persons. On the 1st January, 1905, there were 120,000, or one in 285. A great deal of this increase is apparent only, and is due, not to growing insanity, but to better and more accurate registration. The records of the English Lunacy Commissioners for five years, 1899-1903, state the main causes of insanity in the following order:—Among men, 22.5 per cent, is said to be due to intemperance, 18.8 per cent, to heredity, 14 per cent, to bodily disease. Among women it is 9.4 per cent, 24.9 per cent, and 13.1 per cent respectively. The Commissioners admit the difficulty of arriving at certain conclusions. 'Intemperance," they say, "frequently is as much the effect of brain weakness as a cause, and the intermingling of these makes it impossible to arrive at precise conclusions." "In any case," they proceed, "it cannot be denied that alcohol is a brain poison." The Superintendent of Banstead Asylum specifies intemperance, worry, and heredity as the chief causes of mental aberration. "After very careful inquiry," says the Superintendent of Claybury Asylum, "I believe that alcoholic stimulants of various kinds have been the exciting or predisposing cause of insanity in 30 per cent, of men, and 18 per cent, of women. The immoderate use of alcohol impels to disease, affecting not the life of one generation only. The Hanwell Asylum places heredity as the chief cause with 48 per cent, and intemperance as the second with 24 per cent.

The 1895 Report of the Massachusetts Bureau of Statistics of Labour states that out of 1,506 cases inquired into the insanity of 526, or about 35.70, was found to be due either to their own use of liquor or that of their

As far as investigation has gone, statistics show that 25 per cent, at least of the world's insanity is due to intemperance. The census of 1901 showed that there were 117,274 lunatics, of which number 46,800 were married or widowed. No wonder heredity is such a mighty cause. The lunatic through intemperance leaves
progeny who are insane through heredity. The propagation of the unfit is appalling. In a Magdalene Home in London a hundred consecutive cases were recently inquired into, and thirty-seven mothers were found to be feeble-minded. A metropolitan workhouse, at the same time, had as inmates twelve weak-minded women, who, among them, had given birth to twenty-one illegitimate children. This is the tragedy of insanity—the cumulative effect of the operation of its causes.

Truly intemperance weakens efficiency. But examine now

Carrol D. Wright, the United States Commissioner of Labour when in charge of the Massachusetts Bureau of Labour, analysed the causes of the crimes committed in 1880 in Suffolk County which includes the City of Boston. The total number of sentences for year was 16,897, of which 12,289, or 72 per cent., were for drunkenness and illegal sale of liquor; the first accounting for 12,221 con-victions, the latter for 68. Of the remaining 4,608, 2,067 were for offences committed while under the influence of liquor, and in 1,918 cases the intent to commit the crime had been formed while the perpetrator was intoxicated. In 1,804 cases the crime was committed under conditions induced by the drinking habits of the criminal, while in 821 cases the drinking habits of others induced the crime. He thus arrived at a total of 14,386 convictions, or 84 per cent, of the whole, due directly or indirectly to intoxicants.

This conclusion is confirmed by the results of an official inquiry in 1895, published in the Massachusetts Bureau of Statistics of Labour. It was found that 84.41 per cent, of the crimes in the year were committed by those who acknowledged that "their intemperate habits led to a condition which induced the crime." Further, "82 per cent, of the criminals were under the influence of liquor when the crime was committed."

Professor J. J. M'Cook, of Trinity College, Hartford, Connecticut, read a paper in 1895 before the Twentieth Century Club, in which he ascribed 80.67 per cent, of crime to drink. He found ninety-five to ninety-seven of every hundred in gaol self-confessed drinkers, though most, of course, asserted that they drank only moderately. Investigation among the official records discovered over 20 per cent, of murders set down specifically to excessive indulgence in alcohol. Mr Justice Hodges, of Victoria, wrote on October 3, 1907:—"After close upon nineteen years' experience in the criminal and divorce courts, I can repeat what I said publicly some years ago: that drink is either directly or indirectly responsible for more crime, more sin, more domestic misery than all other causes put together."

Crime means weakness, crime means inefficiency, crime means misdirected energy. It means expense to the State, it means impairment of productive power. Truly intemperance is a colossal evil.

The contribution of intemperance to pauperism has already been adverted to. The twenty-third Annual Report of the Massachusetts Bureau of Statistics of Labour contains the record of special investigations into the condition of the tenement population of Boston. The investigation covered 475 families and 2,140 persons. The most potent individual cause of the tenement condition was found to be drink, to which was ascribed 42 per cent, of the cases. Again, we may say that intemperance is a fearful engine of degradation, destroying industrial efficiency.

But this catalogue of woe has no end. Drink enfeebles the constitutions of the children of the nations. Dr Demme, a distinguished German physician, found that of the children of nondrinkers 82 per cent, were sound, while of those of excessive drinkers only 17 per cent, were so. Dr Brendell, in a lecture a few years ago before the Anthropological Society of Munich, ascribed to alcohol "fatty, enfeebled hearts, shrivelled kidneys, fatty or hardened livers, changes in the texture of blood-vessels which cause paralytic strokes and softenings of the brain" "In spite of the marvellous advance of our present age," he concluded, "a great retrogression in an ethical sense is undeniable, the chief cause of which is the increase of drunkenness, because the beer saloon has become the centre and focus of social life."

Intemperance is a prolific source of death. In July, 1907, the City Coroner of Sydney publicly stated that of 600 deaths which he inquired into in the year previous a very large proportion was due directly or indirectly to excesses in alcoholic liquor. The annual report of the Registrar-General of England and Wales for 1893 states that "the deaths directly ascribed to intemperance numbered 2,174, or 73 per 1,000,000. Many British insurance companies refuse to insure brewers or publicans under any conditions. Among them are the Scottish Widows' Fund Life Assurance Society, the United Kingdom Company, the Mutual of New York, the Mutual of Australasia. Many others load publicans' at from 25s to 42s per cent, of the cases. Again, we may say that intemperance is a fearful engine of degradation, destroying industrial efficiency.

Is it matter for wonder that the Chinese claim that eleven centuries before Christ one of their Emperors ordered all vines in the country to be uprooted; that Buddha inculcated total abstemience as a divine ordinance;
that Draco punished drunkenness with death: that Lycurgus, King of Thrace, ordered all vines to be destroyed; that the Carthaginians forbade wine in their camps? Is it any wonder that the greatest of all modern philosophers, Bacon, exclaimed: "All the crimes on earth do not destroy so many of the human race nor alienate so much property as drunkenness"? Is it it surprising that our British Generals, Wolseley, Roberts Kitchener, should stand for abstinence in the Army; that the last named testified that during the Soudan campaign the victories of the men and speedy recoveries of the wounded were due to the abstinence of the men from alcoholic drinks? Can we marvel that intoxicants were abolished a few years ago in the canteen of the United States Army? We can now understand the passages in Caesar bearing testimony to the strength which temperance imparts. He tells us that the Nervii—a race of Teutons—displayed the most conspicuous valour of all the tribes he met in Gaul. Their preeminence he ascribes to the fact that they were water-drinkers and forbade wine to be brought amongst them as being injurious to sinew and courage. Caesar's works, indeed, abound in eloquent expressions of praise for the sturdy temperance in food and drink of the Gauls and Germans, whose natural vigour, undiminished by excess, took ten long years of fierce conflict to subdue.

The indictment against alcohol on the second count, of diminished industrial efficiency, is proven beyond any shadow of doubt. Such being the case, the nation that drinks the least stands to win in the markets of the world. The following table, given by John Burns in the Fifth Lees and Raper Memorial Lecture, 1904. shows the heavy handicap with which the British nation encumbers herself as against her greatest competitors:—

"Germany, with 56,000,000 of people, spends on drink per annum £150,000,000. At Britain's rate (per head) Germany would spend £270,000,000. Compared with Britain, Germany saves or diverts to better purposes £120,000,000.

"The United States of America, with 76,000,000 of people, spends on drink per annum £234,000,000. At Britain's rate (per head) the United States would spend £362,000,000. Compared with Britain, the United States saves or diverts to better purposes £128,000,000

"The additional joint spending power of Germany and the United States over Britain in home and foreign markets is £248,000,000

The above table should stir the reforming zeal of every patriotic British subject, especially in view of the progress towards national sobriety being made in the United States. In 1870 that country had 7,000,000 people living under No-license In 1900 there were 18,000,000; in 1907, 40,000,000.

The third proposition avers that expenditure on alcohol takes away employment from Labour. What is meant is that capital devoted to the liquor traffic offers less employment to Labour than if devoted to any other industry. The proof is easy and invulnerable. If the people of New Zealand were to cease spending £3,000,000 a year on beer, or the people of Britain £164,000,000, the money would be released for expenditure in other directions. When the labourer gets his wages, if one avenue of customary expenditure is closed, he has more to lay out in other ways. If Britain were suddenly to discontinue drinking, her people would find themselves with £164,000,000 with which to extend their purchases of other commodities. Now, to buy commodities is to buy the labour necessary to produce those commodities. If, for instance, New Zealand adopted the reform of No-license, the total demand for labour would not be lessened. Labour would not be required to make beer to the value of £3,000,000, but it would be required to make other goods to the value of £3,000,000. The mere shutting off of expenditure on one article of consumption does not diminish a community's general purchasing power; it ensures enlarged expenditure on other articles. What happens is a transference of Labour and Capital from one industry to others. Reasoning similar to that used in showing that Freetrade does not lessen the power; it ensures enlarged expenditure on other articles. What happens is a transference of Labour and Capital from one industry to others. Reasoning similar to that used in showing that Freetrade does not lessen the power of a country applies here. To allow the free importation of boots may occasion the closing down of a local factory, but the labour discharged will be required to produce for export commodities to pay for the boots imported.

The abolition of the liquor traffic, however, would involve something more than the mere transference of labour from an injurious trade to wholesome industries. The transference would increase the demand for labour. It would not only absorb the men and women displaced from the manufacture and distribution of intoxicants, it would create a demand for many more workers. The Blue Books of the British House of Commons for 1891 contain a Government return which shows that out of each £100 of value produced £55, or 55 per cent., was paid in wages in the coal mining industry, 40.8 per cent., in shipbuilding, 34.7 per cent., in the construction of docks and harbours, 31 per cent. in the working of railways, 27.9 per cent., in agriculture. 27.5 per cent., in cotton manufacture, 23.3 per cent., in the iron and steel trade, 21.9 per cent., in woollen manufacture, 7.5 per cent., in brewing. Of the £164,000,000 which British people spend annually on alcohol, some £12,300,000 finds its way into the pockets of the labourers as wages. Spend that sum on coal., and some £90,200,000 would be earned by Labour in the form of wages. Succinctly put, spend £1 on beer, and Is 6d of it will be paid in wages; spend £1 on coal, and Is of it will be devoted to wages: spend £1 on a railway excursion, and the spender will have the satisfaction of knowing that over 6s of his money will be obtained as wages by the railway employees. Spend it on cloth, and ove 4s of it will be wages. 
Looked at in another way, £100 spent on coal will give employment to more than seven times as many labourers as the same money spent on beer; spent on shipbuilding, it will give nearly six times as much employment; spent on wheat, butter, etc., it will give nearly four times as much; on cutlery more than three times as much. The liquor traffic, in short, per million of money spent on it, gives employment to fewer men than any other trade. Such was the result arrived at by the Royal Commission which investigated the matter in 1891. The relative conditions of industry in all parts of the civilised world being similar, the findings of the Commission must be approximately true in Australasia and Canada.

Indeed, they are confirmed by a table more recently compiled from the Government records of the United States, and published in 1901 by Bliss in his "Encyclopedia of Social Reform" This table takes nine representative industries, shows the amount of capital employed in each, the total number of labourers, the total amount of wages, and the average number of employees and the average yearly wages paid per 10,000 dol of

According to this table money invested in making boots and shoes will give employment to nearly ten times as many persons as money spent on beer; on clothing to nearly nine times as many; on bread to nearly eight times as many. With the exception of cotton, there is more capital employed in brewing than in any other industry; yet there is less paid in wages; and a less number of workmen engaged. The boot trade employs a little more than one-third of the capital, pays more than twice as much in wages, and employs more than three times as many workers. From the point of view of employment of labour, cotton stands next in order of demerit to beer; yet for every £2,000 of capital it employs twice as many hands, and disburses £22 more in wages. The reason for the greater difference between the number of labourers employed as compared with the amount of wages paid is to be found in the larger number of women and children employed in cotton factories. As an employer of labour, then, the brewer is the worst. These tables furnish an illustration of the supreme folly of buying beer that trade may be stimulated and the employment of labour increased.

They also furnish a striking commentary upon another table set forth by Bliss. It shows how the Americans distribute their expenditure.

To spend the largest sum on the most harmful article of consumption, which is at the same time the product of an industry which gives the least employment to labour proportionate to expenditure and capital employed, seems strangely irrational.

This enormous consumption of alcohol must have a close bearing on the unemployed problem. For every man now employed in the liquor business, three, four, five, or more would be wanted if the liquor business were abolished, and the people's money, now spent on liquor, turned into other channels. Might it not have a bearing also on the problem of low wages? To increase the demand for labour without increasing the supply is necessarily to benefit the worker. It relieves any glut in the labour market and causes wages to take an upward tendency.

It is the same with labour as with the products of labour: increase the demand relative to the supply, and up goes the price. It is estimated that if No-license were carried in New Zealand it would displace about 3,750 workpeople, but it would employ them in other industries and call for 7,500 more. If that number were not unemployed, then the increased demand would manifest itself increased competition for the labourers already employed, which could not but result in an increase of general wages. It should not be forgotten that the £3,000,000 the people spend annually in the public bars represent a minimum of three times as much employing power when expended on other commodities.

There remains the fourth proposition to establish to complete the economist's case against the liquor traffic: It costs more directly and indirectly to the State than it yields in revenue. Indeed, it would seem that the direct outlay in money occasioned by the traffic in strong drinks is much greater than the enormous revenue it affords. Again, we must draw upon the statistics of the United States. The Government departments of that country are the most perfectly organised in the world for furnishing the arithmetic of social problems. Every year a statistical abstract is issued, and the publication of 1895 gives an estimate of the cost to the country of the liquor traffic in 1890, which shows the madness of supporting the traffic on account of the revenue it yields.

It was estimated that the net direct cost in that year was 765,381,893 dol, and the net public revenue was 137,263,974 dol. For every dollar received, five dollars had to be spent. An estimate is also attached of the indirect cost, which is stated at 453,076,220 dol, bringing the total cost of the traffic to the nation to the fabulous sum of 1,218,453,113 dol. So that for every dollar the Treasury gains the nation loses nine.

But let the account speak for itself:—

The manner of arriving at the cost to the Government of poverty and crime is by ascribing to drinking 75 per cent. of the cost of prison for criminals and paupers. The total cost of these institutions to the State and local governments was in 1890 91,841,840 dol, 75 pre cent. of which give 68,881,110 dol.

The traffic to the State governments and local bodies of America involves a direct monetary loss. These bear the expense of police administration and charity, 91, 841,480 dol, and receive license fees amounting to 24,786,496 dol. But 75 per cent. of the cost of police administration and charity would be saved if the drinking
customs of the people were discontinued. The direct monetary gain to these public bodies, if the traffic were abolished, would be 68,881,110 dol, less 24,786,496 dol, or 44,094,714 dol. In other words, to secure twenty-four million dollars these bodies have to pay out sixty-eight million dollars.

These figures of course relate to the year 1890. Nothing so elaborate has been published since, but the 1906 Report of the Massachusetts Board of Charity is confirmatory. Part of Massachusetts is under No-license and part under License. The Report shows that the cost of pauperism in License cities is 675 dol per 1,000 inhabitants, in No-license cities 378 dol per 1,000—a decrease of nearly 80.70. The decrease would be much greater but for the aftermath of weakness caused by excessive drinking under License. This will disappear when a new generation arises uncorrupted by insobriety, past or present. Carrol D. Wright, indeed, has recently estimated that for every dollar of revenue got in by the United States from drink, there is a resultant expense of twenty-one dollars.

How is this gigantic evil to be dealt with? The question is importunate. It will come with louder knocks every year. As Lord Rosebery said some time ago, Great Britain must grapple with and overthrow it, or it will grapple with and overthrow Great Britain. There is no problem more alarming than this of intemperance. It wastes money; but, worse still, it wastes character. It is an economic problem of the first magnitude. It is a social and moral problem of still greater proportions. An earnest people must rise up and smite it. The duty will not be denied. The manhood of the nation must purge off this distemper. But how?

We may rely upon education inculcating in our schools sound teaching upon the baneful effects of alcohol upon the human body. We may use the Church, Platform, and Press as vehicles of moral suasion. We may trust to the conscience and enlightened self-interest of the people to put an end to intemperance, which dethrones the reason, excites the passions, and leads to crime. Of while not neglecting or depreciating this method, we may combine it with laws regulative or prohibitive of the traffic in alcohol, rnostively, we may promote the growth of temperance sentiment, an negatively we may strike down institutions which impede the growth of temperance practice. Such a course is likely to effect reformation with greater despatch.

The curse of alcohol is the ungovernable appetite it tends to engender. The appalling prevalence of intemperance is not due to any lack of knowledge of its injurious consequences. Men drink in excess to drown sorrow; men drink to aid conviviality; men drink because their companions drink. Thus men begin to drink. After wards men drink because the passion for it has got hold of them. The facility which the public house system, with its open bar, offers to this drinking is the feature of the problem which should attract the attention of all reformers earnest for human betterment and the enlargement of human capacity. If the charge laid against intemperance be true, it behoves every stalwart, wholesome-minded people to adopt every expedient for its discouragement. Law must be invoked and its penalties applied with rigour if need be. It may be urged that we cannot make moral by Act of Parliament. Without in any way assenting to this proposition, this at any rate is true: We can multiply the difficulties to the practice of vice. The principle cannot be gainsaid, and it is a good working one for the politician that wrong will flourish most when least encumbered with impediments, and prosper least when most harassed with restrictions. Laws are so many clogs to check and retard the headlong course of violence, crime, and wrong. They are invented for the one good, great purpose, that what is not just shall not be convenient. It is the duty of the Government of a country to make it as easy possible for an individual to do right, and as difficult as possible for an individual to do wrong.

The State has abundant justification, then, for regulating or abolishing entirely the traffic in strong drink. And, indeed, this traffic has no claim upon the support of an enlightened people. A trade which flourishes upon the ruins of its supporters, which derives its revenue from the impoverishment of homes, which thrives upon the crumbling of character, which requires for its prosperity the injury of the community, ought not to be able to claim the encouragement of a nation’s laws. The liquor traffic is such a trade, and yet it receives the sanction and protection of British law. If alcohol affected farm stock as it affects human stock, it would have been prohibited long ago.

The moral energies of the British Empire must gather for the overthrow of the traffic in intoxicants. The struggle will be tremendous. But we are not permitted without dishonour to lay down the burden of it. The evil is full grown. It is shaking the pillars of our national might. British stamina is strong, but the immeasurable tide of strong drink can wear it down, as the ocean, plunging and heaving at a bank, eats into it and devours it. We must swing round upon this dreadful scourge. We must play the iconoclast and strike down the institution, which flourishes only by striking down the character of the people. If we cannot foresee the ultimate consequences of the great social change, we must stand on abstract right and have faith that what is just shall prove expedient. It cannot be that the abolition of the liquor traffic can bring with it a train of disasters commensurate with that occasioned by its existence. The magnitude of the problem must not be allowed to induce hesitation. Let courage mount with occasion. The manhood of the nation, the womanhood of the nation, its childhood, its happiness, its moral and material well-being, cry aloud: “Down with the traffic, and up with manhood.” The body politic shall be purged of this disease. The sword must be drawn and the scabbard flung...
away. The destiny of our Empire hangs upon the issue. And we must not expect that in stepping in to change an old inveterate custom it can be done peaceably; we are bound to jar something. There is nothing for the cancer but the knife, and there is nothing for the liquor traffic but the severance of the taproot. Hardship in individual cases may be inflicted. It cannot be avoided where vested interests are being assailed. But this most not soften into acquiescence. When a great work is to be done on a source of corruption in society, it is, as has been already said, only men with the temper of the sword and the fervour of the flame who can do it. In proclaiming and preaching of the evils of intemperance we would do well to catch the spirit of the great Nazarene. He preached to the blind beggar with clay and spittle, to the sick with healing, to the broken-hearted with comfort, to the money changers with the scourge. In the same way we should preach to the labourer with honest wages, and to the evil institution with battle-axe and battering ram.

Chapter XVIII.

The Progress of Reform.

"New occasions teach new duties.
Time makes ancient good uncouth;
They must upward still and onward
Who would keep abreast of truth.
Lo! before us gleam her camp fires;
We ourselves must pilgrims be.
Launch our Mayflower, and steer boldly
Through the desperate winter sea."

The history of social progress is glorious. To look backward across the ages, and "the beacon moments see, which, like peaks of some sunk continent, jut through oblivion's sea," is a grand inspiration of confident hope for the future. British people especially have cause for pride. Their Homeland has been the theatre of many stirring events, by which humanity was leveraged up. It has suffered no cataclysm like the French Revolution. Liberty, Equality, and Fraternity have risen to supremacy by the slower but surer method of evolution. The British Constitution, with its House of Commons, its unimpeachable system of justice, is the outcome of the steady and continuous operation of causes, the weight of whose accumulated effects crushed down tyranny without any sudden and violent rending of the existing social order. The French peasants and artisans, bowed with the burden of centuries of unmitigated oppression, groaning under the load of unequal exactions by Priest and Noble, restrained at every point by privilege and caste, revolted savagely, and, with the hoarse yell of despair, burst through the bonds with which their superiors had bound them. Over the face of France they stampeded with torch and sword, leaving conflagration, ruin, and murder in their wake. The Nobility had been sowing the wind for ages; in terrible fashion it reaped the whirlwind. The nation was reduced to chaos, and, as Carlyle says, the attempt was made—futile, of course—to construct an ark of salvation out of the driftwood.

Britain has had her partings of the ways where blood has been freely spilled. Her Constitution, however, has always provided a safety valve against the worst excesses of reforming energy. Such has been the wisdom of our ancestors that steam has never been pent up to the point of disastrous explosion. Our country has ever united a spirit of conservatism with the spirit of innovation. Whilst looking forward to posterity, she has ever had regard to the teachings of the past. She has thus been saved from many catastro- phies. She has had her revolutions, but, for the most part, hers has been the steady, majestic progress which betokens a natural evolution. Reform has come with her rather like the growing light of the dawn than the heavy tread of the army of invasion. One cannot read, indeed, the history of the British people without being inspired with a glowing hope. A people that has achieved so much must move on to further conquests. Amazing as are the problems which the social system of to-day presents, a people with such a heritage cannot fail to encounter them with success. Swiftly let us run along the highway of progress, marking the milestones of advance.

There is in the blood of the Anglo-Saxon an inherent intolerance of injustice and oppression. Long before the founders of the race migrated from the coast lands of Germany to the shores of Britain they had shown their mettle against the legions of Rome. Almost contemporaneous with the shimmering of Bethlehem's star in the East three Roman legions at the Battle of Teutoburg Forest were annihilated and their General. Varius, driven
to suicide by the Teutons from whom we sprang. The onward march of Rome was permanently checked. Arminius, the Victor, not only became the saviour of his country, but he and his people became the progenits of the most powerful and cultured nations of the modern world. Long before English history properly begins the pen of Tacitus reveals to us our forefathers in their old homeland of Northern Germany beating back the Roman Army. They were the only people who did not bend the neck to those "lords of all the wo who did not bend the neck to those "lords of all the world besides."

This spirit followed them to the British Isles. This spirit nerved them in their fierce and bitter struggle with King John and wrested from them in their fierce and bitter struggle with King John and wrested from him at Runnymede the Great Charter of British liberties. This spirit enabled Simon de Montfort to call together the first House of Commons. This spirit enabled Britain to gather the maximum of gain from the Renascence.

Let us halt for a moment before this Phenomenal uprising of the world's mind called the Renascence, and try to feel its seething. In 1453 Constantinople was sacked by the Turk. At that time it was the capital of the ancient Byzantine Empire and an asylum for scholars. The barbarous Turk scattered the savants and their their books. They fled to all quarters of Europe, and became germinating seeds of learning. The mind of Europe quickened into amazing activity. It awoke, as it were, from a long, deep slumber to a sense of the narrow confines of its knowledge and life. There was engendered an appetite for instruction, which in many cases became the ruling passion. "I have given up my whole soul to Greek learning," writes Erasmus, "and as soon as I get any money I shall buy Greek books—and then I shall buy some clothes." This passion grew into a devouring tide of intellectual energy, which swept over every institution and belief without mercy or respect. The grey hairs of ancient beliefs, the furrowed brow of aged institutions were no defence against the relentless criticism of an electrified intelligence. As field after field of enterprise opened out before it the human mind seemed to gather fresh vigour and stronger powers. Old doctrines were abased and the altar of new ones exalted. It was at this time that reason was emancipated from the thraldom of authority. It was at this time that men arraigned every time-honoured practice and creed at the bar of reason. Authority, that great shield of intellectual sloth, that instrument for consecrating deep-seated prejudice, was overthrown. The Renascence lifted the mind of Europe to the mountain top, and gave it a telescope and a microscope. It saw further and it saw more minutely. Strong in the consciousness of its newly discovered power it flashed its imperious eyes around, searching systems of religion and of Government. In the person of Luther it dared to challenge the infallibility of the Pope. Passionate Savanarola mounted the pulpit in Florence and with a fearlessness begotten of burning conviction denounced the follies, quackeries, and crimes of an effete ecclesiastical government. His words, heated with zeal and barbed with satire, shot through Europe, burning and ripping all shams and hypocrisies. His words, heated with zeal and barbed with satire, shot through Europe, burning and ripping all shams and hypocrisies.

This was the age when the art of printing was discovered. The writings of Plato, Aristotle, and Cicero were scattered broadcast. Soon the Bible found its way into the artisan's home. It was about this time that gunpowder was invented, which, as much as anything else, blew to atoms the military power of the nobility and the strength of feudalism. The armour of the knight and the towers of his castle were no defence against the relentless devouring tide of intellectual energy, which swept over every institution and belief without mercy or respect. As field after field of enterprise opened out before it the human mind seemed to gather fresh vigour and stronger powers. Old doctrines were abased and the altar of new ones exalted. It was at this time that reason was emancipated from the thraldom of authority. It was at this time that men arraigned every time-honoured practice and creed at the bar of reason. Authority, that great shield of intellectual sloth, that instrument for consecrating deep-seated prejudice, was overthrown. The Renascence lifted the mind of Europe to the mountain top, and gave it a telescope and a microscope. It saw further and it saw more minutely. Strong in the consciousness of its newly discovered power it flashed its imperious eyes around, searching systems of religion and of Government. In the person of Luther it dared to challenge the infallibility of the Pope. Passionate Savanarola mounted the pulpit in Florence and with a fearlessness begotten of burning conviction denounced the follies, quackeries, and crimes of an effete ecclesiastical government. His words, heated with zeal and barbed with satire, shot through Europe, burning and ripping all shams and hypocrisies.

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It was a time of daring enterprise, daring thought, and daring action, which discovered a new world, propounded a new theology, and wrested the sceptre of tyranny from a king. The Renascence drew in its train the religious reformation and the great political revolt. The enfranchisement of the mind developed in Britain the spirit of protest which overthrew, first, papal domination, and then kingly misrule; the seventeenth century especially was big with deeds for freedom.

That century was a glorious span of crowded life—when prisons rang with the hymns of martyrs, and were sanctified by the custody of the greatest giants of civic righteousness that ever trod the earth; when Pym made
the halls of Westminster resound with his patriotism, as he unloosed the bolts of his fiery denunciation on the perpetrating of injustice and tyranny; when Hampden, at the call of his country, spilt his life's blood on the heath of Chalgrove that men of Britain might be free; when Cromwell was "disembowelled from the modern Trojan Horse" to repel the attack upon the stronghold of British liberty and demonstrate that invincible valour was still the heritage of men.

Oh! that was a century of heaven-climbing thought when Milton, that organ-voiced seer, with a mind bathed in the sunlight of knowledge, with a heart lacerated by his country's woes, with a pen nibbled with the incisiveness and brilliance of a diamond, sent his strong song of liberty, like a fiery flood, through the heaving multitude. It was the century whose irresistible vehemence led one king to the block and another into exile. It was the century which hesitated not to pour out its richest blood and spend its highest energies in exalting the common people and investing them with wide political franchises.

The reforming forces of that century of storm were focussed in the phenomenon of Puritanism, which found the expression of its highest sentiment in Milton and of its highest activity in Cromwell In these men we have Puritanism dramatised into heroic flesh and blood. Democracy, with its rapidly unfolding possibilities owes its birth to them. The ascendancy of the principles of religiur and political liberty was the sine qua non of Democratic progress, and the betterment of the social and economic conditions of the masses. This ascendancy is the triumph of Puritanism, and we must pause for a moment to take the measure of its stature.

It was a phase of ardent religious belief which most profoundly has affected the destiny of our race. Its momentum is still felt. Much there was in it accidental and superficial but much has wrought itself into our fibre. The fabric of our character the current of our thought, the liberal ideals of our politics bear testimony to the constraining and enduring influence of the mighty religious force. Puritanism poured the strength of its spirit into everything, and transformed everything. It claimed the prerogative to govern all the relations of life. From the hands of the ungodly it wrested the sceptre of secular government, sent armies into the field of blood singing psalms, discrowned a king, and enthroned a commonor. Its inspiration it drew from the Bible its radicalism from that Prince of Democrats, Christ. The printing press had placed the sacred Scriptures on the table of every cottage. Tens of thousands knew no other book, but they bent daily over this one. Britain became the people of one book. The result was the emergence of that most potent type of reformer, the Puritan.

He was invincible in his zeal against oppression and injustice because of the convictions which governed him. Every Puritan looked upon himself as the product of an act of God; his life as a breath of God and his mind as a thought of God. His individuality was merged in that of the Most High. Before God he was utterly abased. But this self-abasement before God became a lofty pride before men. He was the elect of God. Beside him the most powerful king of the world, if unregenerate, was but a child of the Devil. Hence when Cromwell and his Ironsides charged the Royalists they were charging the children of Iniquity, and they rushed forward crying "Let the Lord arise and let His enemies be scattered." In the energy and intensity of his belief the Puritan was unconquerable. I the most trivial affairs of life he never forgot he was a man of God, and a weapon of the Omnipotent. Here is the explanation of the imperious, into erant flash he turned upon the vicious principles and practices of kings and aristocrats. He may have shrunk a Macaulay says, from a surplice and a mince-pie as from a crime; yet to him we owe the political franchises now so deeply cherished.

Yes! Puritanism, that in its grotesque form so often moves us to laughter, is a name to conjure with. It spells unconquerable force, constraining earnestness. It, perforce, casts the soul upon its knees in homage. At its mention, the burial places of British history seem to give up their most honoured dead. Across the stage walk Pym, Hampden, Elliot, Milton. Through the memory halls of mind rings again the noise of battle as the great warrior-statesman leads against the foe his Ironsides at Marston Moor or Naseby. We bend the ear to the seventeenth century and catch again the deep, solemn, fervent strains of the Puritan prayer meeting. We stand within the House of Commons, awe-stricken at the stupendous conflict, where peasant and tradesman dare to rebuke a king.

What a wonderful century! "It dawned amid the dense fog of royal despotism; in the mid-day of its career it was overhung with the thick, black clouds of tempest, the thunders rolled and the lightnings flashed; but, towards eve, the atmosphere cleared and the sun of that century of storm and maelstrom set, shedding forth the brilliant rays of the. Bill of Rights and the Act of Succession. These measures, securing freedom from taxation without representation, exemption from the delays and inequalities of justice, and immunity from the exercise of arbitrary power, were the fitting trophies of the unprecedented struggle of a nation for self-government and religious liberty. In them the sublime energy of Crom well and his co-adjutors "burst full-blossomed on the thorny stem of time." Such, in brief, is the story of that conflict from which emerged a reformed religion and democracy.

"The best that history gives us, "says Goethe, "is the enthusiasm it arouses." This colossal struggle, with its grand issue, is enough to excite a very delirium of enthusiasm. It kindles emotive ardour and engenders lively contempt of low ideals. There wonderful optimism in the march of progress. The path of history is strewn with,
burning faggots to fire our patriotism and stimulate to renewed fervour zeal for the betterment of man. The problems of the present age are not beset with difficulties comparable with those of past times. The masses have the power. Their hands grasp the sceptre. Monarchy has yielded to the supremacy of democracy. Once for all, we are freed from that eternal curse of despotism by which unlimited calamity may be drawn down upon millions by the caprice of one man. This is the grand heritage of our generation. It is ours rightly to use the power which the blood and energy of our forefathers have bequeathed to us.

And in passing let a note of warning be sounded. May Labour leaders, Socialists, and aspirants after leadership in the forward and aspirants after leadership in the forward movements of society manifest a tendency towards atheism Reforming zeal, divorced from God and defiant of Him, has more than once heaped calamities upon a people. Britain owes her franchises to religious zeal. France was deluged with blood and covered with dishonour because her revolutionary ardour was untempered by godly sentiment and uncontrolled by godly Principle. Let those Socialists who stand upon a sort of sublimated Paganism remember what the toiling masses owe to Cromwell and Knox, to Wesley and Shaftesbury, to Gladstone and General Booth. Well might we tremble for the future of Democracy if the teachings of the first and greatest Democrat, the Christ, are not only to be innored, but spurned.

Contemplate now the characteristic feature of the social movement to higher levels. It is the evolution of freedom from irksome restraints. We are ever moving towards greater freedom of thought, action and life. Men, at one time, were bound in their bodies to iterers; they were slaves. This bondage was sanctioned by many of the wisest of ancient philosophers. It receded before the advance of the doctrine of human brotherhood. Right away back in the winning of English history Bishop Wulfstan stood regularly in the slave market of Bristol denouncing the traffic in men and women. Slavery vanished and villeinage took its place. This was a form of territorial servitude. The peasant was bound to the soil, had onerous duties to discharge, but otherwise was free. Imprisonment and branding on the forehead with a hot iron was the lot of the fugitive. From the time of Watt Tyler's revolt villeinage languished and decayed like a cut branch and the land of Britain became the home of free men. It became a proud boast that the chains fell from the limbs of the slave when he touched British soil.

The emancipation of the body consummated, progress ran along the lines of emancipation of the mind and soul. From free bodies we passed to free thought, free speech, free Press, free religion. As late as the reign of Henry VIII. men were persecuted not only for what they said, but for what they thought. By every cunning expedient, the recesses of a man's bosom were dived into to discover his most secret opinions. Freedom of speech was gained only at heavy cost and a long roll of martyrs. Their names are legion who have languished in prisons because of fearlessness of utterance.

Freedom of religion was procured only at a larger sacrifice. The world has been deluged with the blood of religious persecutions. What can equal the horrors of St. Bartholomew's days? Or follow the Duke of Alva on his murderous mission to stamp out freedom of religious thought in the Netherlands. Women shouldered the musket to defend creed and home. The gallant William of Orange, in his extremity, flung back upon his country's oppressor the bold defiance that his people would fight to the end, and, if need be die in the last ditch. Or go down into the dungeons of the Inquisition in Spain. Or become a spectator at the Smithfield fires in England of Mary and of Elizabeth. And you cannot fail to be sensible of the rich legacy of freedom of religious thought and expression our forefathers bequeathed to us.

Men are now free to speak or write whatever opinions they choose so long as no one's character is defamed and public morals are not scandalised. The bodies of men are free, their thoughts are free, their tongues are free, their creed is free. Last century progress manifested itself in the extension of the political franchise, in the diffusion of primary education, and in the organisation of Labour for collective bargaining with employers and for industrial warfare.

In the middle of this twentieth century the masses stand fully equipped with all the powers requisite to a successful assault upon the present industrial system, with its unequal burdens and unequal privileges. So far, reforming energy has been occupied with the machinery of democratic government, and although that machinery is by no means perfect for the expression of the popular will, the popular mind can nevertheless assert itself effectively. The time has come for setting this machinery in motion for the redress of economic injustices. Hitherto the course of freedom has been in the removal of fetters and the transference of political power. Now something is to be attempted by the enfranchised mass which will effect a more equal distribution of the world's wealth. For centuries the people have been engaged in getting the power, now they are going to use it. If well advised, they will use it to secure further freedom, free commerce, free land, and they will use it to make men free from the fetters of intemperance and other immoral and weakening practices. Free body, free thought, free speech, free religion, free Press, free vote, free labour, free education, free trade, free land, free will, uncoerced by appetite—this is the path of progress.

Never was there greater need for earnest thought on social and political questions. The air resounds with battle cries and the clash of opinion. Nothing but the immediate, thorough, and earnest amendment of the laws
of distribution can avert the crash of industrial revolution. There is an unconquerable energy in toil's
enfranchised might, and it is assuming an attitude of challenge to every social and industrial institution. Social
forces, new, and altogether immeasurable, are at play in our midst. The impetuous and appalling rush with
which the human intellect moved forward in the career of innovation during the fifty years which followed the
separation of Luther from Rome seems about to be repeated. The storm of it all already roars in on one. To
avoid misdirection of enthusiasm and waste of effort, withhold outraged Labour from running amuck, to
reconcile infinitude of noisy discrepancies, we must hold of the grand principle of progress. Greater and
ever widening freedom, larger opportunity, fuller scope for labour and enterprise, this is the principle which
emerges from the history of the past. This is the channel along which the zealot for humanity must pour his
energy. We want not a contracted but an extended horizon. Labour not want coddling, but freeing. Throw off its
burdens, ease it weight of unequal and hampering taxation, give it unencumbered access to land, the basis of all
industry. By readjustment of conditions of distribution of wealth, sap monopoly of its power luxurious idleness
of its privilege. By making higher education free to all, enrich the understanding, and what is not less less tant,
level up the wages of the drawers of water and hewere of wood. Wage uncompromising war on institutions
which flourish on human wreckage. Down with intemperance and up with man In short, let Labour be freed and
protected from robbery Give to it the fruits of its labour, undiminished by tolls exacted by idle privilege, and
save it from consuming its body in the fires of appetite.

Reform of some kind cannot be delayed. The masses are restive. Their temper is not such as to submit
stolidly to the perpetuation of inequalities which advancing civilisation is daily accentuating. Universal
education and universal franchise have made such submission impossible.

John Morley recently said there was no remedy for the unemployed difficulty. In other words, the problems
of want which confront modern society baffle him. The masses refuse to believe there is no remedy, and rightly
so. The amazing enlargement of productive power is a final answer to the fatal necessity of poverty. Chevalier
tells us that in many manufacturing industries "one man could do as much in a day in 1855 as 700 men in
1769." Atkinson informs us that four men can grow and bring to market flour to feed 1,000 men. The aggregate
steam power of the world in 1877 was equal to the power of 25,000,000 horses, and as each horse consumes as
much food as three men, the steam power was the saving of food for 75,000,000 men." But these facts are
nothing compared with the conquests which science and invention are in this age making. In 1886 the
machinery in the United States was equal to 3,500,000 horse power, and was operated by 4,000,000 men. To
have turned out the same product without the aid of machinery would have required the labour of 21,000,000
men. A hand-loom weaver could formerly make 42 to 48 yards of common shirting in a week; now one weaver,
tending six power looms, can weave 3,000 yards in a week. From the Bureau of Statistics, Berlin, we have it
that in 1887 the power of the world's steam engines was equal to the power of 200,000,000 horses, or the power
of 1,000,000,000 men. This number represents at least three times the number of the working population of the
world. Steam alone has made the productive capacity of the world three times greater than it would otherwise
have been.

Science! She is harnessing the resources and vigour of Nature, drawing together the ends of the earth,
electrifying the night with light, transmitting messages from continent to continent along the lambent air, and
animating mammoth workshops. And we seem to have caught only the first faint rays of the dawn of her
triumph in compelling Nature to co-operate with man in the production of wealth. Surely in the face of this
limitless expansion of productive capacity we cannot despair of the possibility of solving the problem of
poverty.

Hitherto, however, it is questionable whether the masses have received any corresponding benefit from the
marvellous scientific progress of the past century Indeed, they have received no advantage at all commensurate
with the amazing strides in industrial progress. The conditions of labour have been improved, but the rigour of
the struggle for existence has in no degree abated. Amid all our profusion poverty was never more persistent. A
chronic uncertainty of being able to make ends meet gnaws ceaselessly at the hearts of the world's toilers. Life,
destined for high thought, is consumed in the animal struggle for existence. Although progressive bettterment
has marked the conditons of Labour for many generations past, it is inconceivable in comparison with the
progressive productiveness. Indeed, according to Thorold Rogers, the lot of the worker six hundred years ago in
the clays of Henry III. was better than it is now. An agricultural labourer received wages which, measured by
the present-day standard of value, he tells us, was equal to £154 a year. The enfranchised, educated toiler is
contemplating the spectacle. Remember, he is no longer stolid an! illiterate; he can read and think. He is no
longer noosed and gagged and powerless; the sovereignty of the secret ballot is in his hands. Having emerged
from the long silent centuries of social and political serfdom, he stands on the threshold of a new era with
equipment strong and ample for breaking the cords of industrial serfdom under which he still suffers. The
yellow blood of a cheerless existence pours its shrunken flow along the arteries of millions of the halfpaid
slaves of our itch to be rich without labour The burden of production falls upon the shoulders of the poor, and
they stagger under it as with the weight of an Atlas. The fruit! of production are enjoyed by those that toil not
nor spin. The spirit which effectually secured our liberties against the encroachment of kingly power has swung
round upon this problem.

It would be vain to attempt to cast the horoscope of democracy. Our prescience is not sufficient to
dogmatise about the ultimate reaches of progress. If we understand our own age and the next, and bring to the
solution of the problems which press upon us the guidance of the past, we shall be saved from all futility of
effort. We must ever look backward and forward, keep an ope eyeball, and court the full light. The past, it is
true, must not be allowed to be our jailer. We are wiser than our fathers we have outgrown the laws that in their
day were expedient and defensible. Our institutions are but "the tents of a night to be stricken whenever truth
puts the bugle to her lips" and sounds a march to a level of living. We see further than those who have gone
before us. We stand on the inheritance of their achievements. Even were we pigmies as compared with them,
standing on the shoulders of the giants of old, we should see further ahead. Again we must grown into capacity
for a larger measure of reform. Reform must needs come by instalments; progress must needs come by the goal
is not attained by flight, but by steady and patient accumulating their effects. Nevertheless, we have a right
accelerating rapidity of movement towards the ideal. This is a law of Nature like the gathering momentum of a
falling stone. It is exemplified in the increasing velocity of the advance of science. In these days, therefore, of
invention, travel and enlightenment, social epochs and climaxes should follow more speedily than in the former
years when a stride of progress seemed to be measured by a generation of thirty of or forty years.

And progress will be faster. This indestructible new element in the polity of nations—the political power of
the overwhelm by its ardour the cold sluggishness of the wealthy classes and their sullen resistance to
innovation. Something must be done to assuage the black, desperate struggle of men against whole condition
and environment of modern industrialism. Something must be done to obviate the growing need of charitable in
stitutions. Something must be done to apportion more justly reward in tegration. Something must be done to
arrest the forces of disintegration at work upon the columns of our national character. And something will be
done. Discontent prevails The spirit of intolerance of existing evils is abroad. There is no cause however, for
mutable principle of political economy are recognised. The danger alarm so long as the lessons of history are
observed, and the immutable principles of political economy are recognised. The danger is that enfranchised
Labour maddened by its wrongs, may spend its energy in rolling stones uphill, in rioting over the surface of a
problem without touching its roots.

But let zeal for human improvement run in the right channels, and speedy deliverance awaits the labourer
from his industrial burdens. The future is bright with hope. The evils of society are not irremediable, its wrongs
are not beyond redress. The past has left us rich legacies of emancipating effort. Freedom has a noble ancestry;
without doubt it shall have a nobler posterity.

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Front Cover

Wm. R. George

"Nothing Without Labor" Vignette
Eighth Edition
Printed and Published by The George Junior Republic Freeville, New York

General View

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1910
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The Massachusetts Cottage

"Nothing Without Labor"

The George Junior Republic.

Location.

The George Junior Republic was founded by William R. George in the summer of 1895. It is located at Freeville, Tompkins County, N. Y., nine miles from Ithaca, on the Lehigh Valley Rail Road.

A Junior Republic.

It is a town or colony of young people; an organization that aims to instil into the minds of boys and girls principles of self-reliance and self-government, by giving them actual powers and duties of citizenship in a miniature state wherein are operating the same economic, social and civic conditions that they will find outside on leaving the Republic. It is merely a frank acceptance of existing conditions. It is not an institution with inmates, where officers have absolute authority over them; it is not a school with instructors and rules; it is what its name signifies—a Junior Republic; A Republic of the children, by the children and for the children.
Historical Sketch.

While Mr. George was engaged in business in New York City he devoted much time to the study of social conditions, especially in relation to children. Between the years 1890 and 1895 he spent his summers in fresh air work, taking from two hundred to two hundred and fifty boys and girls each year to Freeville, N. Y.

An obvious difficulty arose. The farmers demanded protection against the lawless visitors from the city. There was necessity for control. Moreover a strong tendency to pauperism showed itself; the children were receiving food and gifts of clothing, which they soon demanded as a right. So these things were led, first to a system of punishment, (the prison), and second to the cardinal doctrine of the Republic, "Nothing Without Labor." Finding by actual experience the existence of a keen sense of justice, and seeing the advantage of retiring from his self-appointed position of arbitrary dispenser of punishment, Mr. George established a Jury. Then it was discovered that the boys made better policemen than their elders.

Late in the summer of 1894 while examining the results of his work Mr. George suddenly discovered the plan he had been working toward was nothing more or less than a junior Republic. The work was so much more satisfactory than that of the previous years that it was decided to continue the summer work in the future on principles of self-support and self-government. During the summer of 1895 it became evident that the training of the lives of children was being carried out successfully and it was decided to make the work permanent. When the large party returned to the city in September, Mr. George and five boys remained at Freeville forming the nucleus around which the Republic has been built.

The numbers have increased gradually but steadily, until now many more applications are received than can be accepted. For two summers after the organization of the permanent work, companies of boys and girls were brought to the Junior Republic for the months of July and August. After this the temporary camp work was abandoned as it was found to be far less satisfactory, and much more expensive than the permanent work.

Principles of Work.

The Republic is now an all-the-year-round home for children founded on the belief—

First—That a boy or girl may break a law, or commit offense, and still not be, necessarily, what is known as "bad" or "criminal".

Second—That as a rule a boy or girl who commits an offense against social or civic laws, is possessed of many of the qualities, courage, leadership, self-reliance, will, which if rightly directed will make the strongest character and the best citizens. And that to direct and develop these qualities and to instil the sense of responsibility, honor, self respect and the respect of the rights of others or in a word to make a citizen, requires more than arbitrary authority.

Third—that to separate a child who has broken the law, or who is criminally inclined, or an unmanageable child from the normal environments of educational, commercial, social, civic, religious and home conditions, and commit him at an impressional age for a definite period to an institution where he is thrown in constant contact with the hardened criminal, where he is restrained by rigid discipline from acting upon his own initiative, and where his individuality is lost id numbers—will never prepare him for the problems and responsibilities of life and citizenship which will confront him upon his release from that institution.

Fourth—but that to develop a sense of responsibility the child must have responsibility placed upon it; to overcome pauperism the child must learn self-support; and to respect law and order, the child [unclear: most] practice self-government.

Equipment.

The equipment of the Republic has gradually increased until now the Association owns and controls over 350 acres of land. On this is a little village of some twenty-five buildings. Ten are cottages where citizens live. Besides these there are, a beautiful chapel, a modern school house; a government building, (in which are the court room and the boys jail); a girls jail; a bakery; a carpenter shop; a furniture shop; a plumbing shop; a printing office; the general store, with the Citizens National Bank and the executive offices on the second floor; a steam laundry building, including the steam heating plant which supplies heat for a large number of buildings; the barns and dairy buildings; and the hospital. Mr. George's residence is also in the Republic and in one wing of this is the library of about two thousand volumes.
The equipment throughout is simple but good. The purpose is to instil into the minds of the boys and girls a sense of economy and healthful living. The property is entirely free from debt and it is the policy of the trustees to work and expand as the funds permit, and not to mortgage the property which is now free from all encumbrances.

Home Life.

The boys and girls live in families of ten or twelve in a cottage. These make up family groups of boys, or girls as the case may be, with a lady or a lady and her husband, as its head. This system of family or home groups has a salutary effect upon the little community, and although not bound by blood relationship, there are ties of friendship stronger than one might expect. The plan admits of a far more normal training than the old dormitory system. It takes away to a large degree the atmosphere and evils of an institution.

Citizenship.

Upon arrival at the Republic the boy or girl becomes a "citizen," an active factor in the life of the little community. No rules are placed over him except the economic forces that are at work in the great Republic, and such laws as may have been made by his fellow "citizens". He is not told to do 'this' or to go 'there'. He must act as he would were he becoming a citizen of any town in the country. He must secure a position by which he can earn enough to pay all his expenses, board, lodging, laundry, tax, etc. The motto of the Republic is "Nothing without Labor". There is work for all to be found in the number of shops, on the farm, in the cottages or in the government. After securing his own job, for which he is paid in the equivalent of United States currency, he must arrange his board and lodging in one of the cottages. In this way he learns how to be self-supporting and self reliant. He pays for all he gets, nothing is gratuitous.

All boys and girls are not of the same earning capacity. So the cottages are run at different rates to accommodate them. The boy earning enough can secure the best accommodations, while he that is inclined to be indolent or lazy must put up with poorer fare. If a boy entirely neglects work there is no one to make him industrious, but he is in danger of arrest for vagrancy and of being placed in jail where he will have to work for the government and not for himself.

Industries and Occupations.

Among the industries will be found farming, which is the most prominent, and which gives employment to the largest number of "citizens". The work is under the direction of a capable man, and besides raising large and varied crops, a large herd of cattle and many pigs are kept. A number of "citizens" have taken up farming as a life work on leaving the Republic.

There are two departments in the bakery. One in which is produced the famous "George Junior Republic Wafer". Many thousands of pounds of these wafers are made by the "citizens" every year, and shipped to all parts of the country. They may be bought of Park and Tilford of New York, and Cobb, Bates and Yerxa of Boston, and at least one dealer in almost any large city. In the other department the boys bake bread and cookies which are sent to the surrounding towns. About fifteen hundred loaves of bread are baked every week.

In the carpenter shop, besides building when there is such going on in the Republic, and general repairing, the boys make fine mission furniture. This is both artistic and durable and has attracted much attention. Orders for both regular and special pieces are solicited and will receive prompt attention.

All kinds of plumbing, steam fitting, and metal work are carried on in the plumbing shop.

The printing office publishes the Republic paper, "The Citizen", and all reports, pamphlets, etc. It also does job work.

Other occupations may be found in the laundry and cottages for girls, and in the government positions for both boys and girls. Each department is in charge of a competent person who, although in a large sense is an instructor, stands as an employer of labor in his or her relations to the "citizens".

Aim of Republics.

It must be understood that the republic aims chiefly at character building. We have been made a trade
school because in the development of character productive labor plays a very important part. We are attempting to make the Republic self-supporting on the basis of the productive value of its "citizens". Much of the produce is consumed on the place. Amongst the older boys and girls there is quite a wage earning capacity but it must be remembered that they spend half of their time in school, while with the younger and new "citizens" the efficiency of wage earning is very limited owing to previous habits and conditions of life.

The average wage paid a "citizen" is ten cents an hour. The working day is from seven o'clock in the morning to six o'clock at night with an hour for dinner at noon. Most of the "citizens" spend half of this time in school, attending either in the morning or in the afternoon according to the classes to which they belong. They are not paid for attending school. Out of their wages they must pay for board, lodging, poll tax, laundry, clothing, and whatever else they may need or can afford. The Citizens National Bank offers an efficient banking system, and here the "citizen" deposits his pay check and defrays his expenses by checks in the usual

**Education.**

While the industries play a very important part in the work of the Republic, schooling is by no means secondary to them. The work in a well equipped school house is in charge of a corps of seven teachers. The curriculum includes the regular grade work, a college preparatory course. Although the children are backward in their studies they are by no means unintelligent and many make remarkable progress when once given the opportunity.

**Religion.**

Church and State are absolutely separate. All religious training is non-sectarian. Services are held in the Republic Chapel every Sunday morning and evening, with a mid-week meeting on Wednesday night. Catholic services are held at least once each month. Although not compulsory the attendance at the services is excellent, and the religious life of the community is strong.

**Government.**

That phase of the Junior Republic which commands the greatest attention is the government. The plan is similar in many respects to the old New England town-meeting system. The community is entirely self-governing. The laws are made by the "citizens" in the town-meetings, one meeting being held each month. All children over fifteen years of age become "citizens" and are entitled to vote and hold office. The laws are those of the State of New York with certain local ordinances, to meet existing conditions. For example, there are laws against smoking profanity, etc. On Tuesday night of every week a session of Court is held, and all cases for the past week are tried before the "citizen" judge and often a jury of four. If convicted the prisoner is turned over to the "citizen" keeper who places him in jail, and directs the prison labor. Here he does not have the privilege of working for himself but for the government, and merely receives his prison fare.

All officers of the cabinet are elected by the "citizens" at the National election time in November, the rest are appointed by the President. All offices are held (or one year. They are:—

- President,
- Vice-President, Ex-Officio Police Commissioners. Board of Health, President's Cabinet
- Sec. of State, Ex-Officio Police Commissioners. Board of Health, President's Cabinet
- Sec. of Treasury, Ex-Officio Police Commissioners. Board of Health, President's Cabinet
- Boy Judge,
- Girl Judge,
- Boy District Attorney,
- Girl District Attorney,
- Police Officers,
- Prison Keepers,

**Athletics and Entertainments.**

Pleasure and athletics are by no means forgotten in the Republic. Football, Baseball and Basketball teams
are organized by the boys, which compete with teams from schools in the neighboring towns. The girls play Basketball among other games. Parties are held in the various cottages, and entertainments are given in the school house at intervals.

Results.

The question is quite naturally asked as to what success the system has met. Although the Republic is still in its infancy enough has been done to prove the great efficiency of the plan. Many children who were leading lives of idleness and crime have been placed on the road to good citizenship. Very few have proved failures. Of the boys who have gone out from the Republic may be found farmers, carpenters, plumbers, printers, bakers, pattern makers, book keepers, stenographers, salesmen, one an agent for a telegraph company, another a buyer for a New York Department Store, an expert in agricultural implements, and newspaper men. A number of boys have been through college and several are still there. Those who have graduated are now making for themselves places of honor and responsibility in the world. Two are lawyers, and one a civil engineer. The girls may be found in housework at home, married, in preparatory school, in domestic service, factories, dressmaking, etc. One has been teacher of dietetics in the Harrisburg State Hospital, now married to a physician.

Application for Admission.

Boys and girls over fourteen years of age and tinder eighteen years, of sound mind and body are accepted. Applications for admission should be made to the Superintendent, George Junior Republic, Freeville, N. Y., of whom all details can be learned.

Expense.

It cost about $250 annually for each child at the Republic. As the average stay is three years the total expense of training a boy or a girl is about $750. This training is permanent. The child is taken at an impressionable age, when his character is forming into its final shape, and influence given during that period have lasting effects. Of over five hundred "citizens" who have gone out from the Republic only twenty have ever been committed to another institution and but one of these left the Republic with the consent of the authorities.

It costs the state of New York between $600 and $700 annually to care for each person under its charge. It costs between $250 and $300 annually for each "citizen" at the George Junior Republic. This sum does not aid in reforming him but merely supports the charge. Thus—it is cheaper to save children than to punish

Normal Growth.

The George Junior Republic was not conceived in its entirety and thrust upon the public untried. It has come out of a process of evolution. It has grown out of practical experience and is no theory. The respect and confidence of the public has been growing, for it has undoubtedly done more toward the saving of unfortunate and criminally inclined children than any other method.

The Association, Trustees, Membership, etc.

The George Junior Republic Association under whose management the Republic is operated, is incorporated under the laws of the State of New York, and renders reports to the State Board of Charities. Its trustees are successful business and professional men from various parts of the country. Any one paying $5 or more becomes it member of the Association for a year. $25 pays for a sustaining membership, and $250 for a life membership.

Visitors.

Visitors are always welcome at the Republic. There are no barriers about the grounds and no rules as to
hours. Shaver's hotel at Freeville gives excellent accommodations to those wishing to stay more than a day, while Auburn, Cortland, and Ithaca can be made the basis of operations.

**Finances.**

With the exception of a few whose parents are able to pay, the expenses of running the Republic is borne entirely by voluntary contributions. No state aid is received. At the present time the annual expenses amount to about $45,000 a year, $10,000 is received from tuition and other sources, leaving about $40,000 to be secured through contributions.

**Endowment.**

An effort toward an endowment fund has been made. A gift of $5,000 toward this fund will provide perpetually for the support of one child at the Republic. Legacies and trust funds are invested in first mortages. The Farmer's Loan & Trust Co., of New York are Trustees of the Endowment Fund.

**Contributions.**

It is the earnest desire of the Association to increase its membership. Contributions of any amount will be gratefully received. All checks may be made payable to Mr. A. G. Agnew, Treas., 22 William St., New York City.


George Junior Republic Freeville, N. Y. To the Board of Trustees of The George Junior Republic Association

Gentlemen:—

I herewith present the Fifteenth Annual Report of the Junior Republic for the year ending September 30th 1910 for your study and consideration.

Calvin Derrick,
General Superintendent

"Daddy"

**The George Junior Republic**

Is located at Freeville, Tompkins County, N. V.
It is thirty-three miles south of Auburn, ten miles east of Ithaca.
It is reached via L. V. R. R., from N. Y. City via Sayre, or Ithaca.
It is reached from Buffalo via L. V. R. R. to Ithaca.
It is reached via N. Y. C. & H. R. R. through Auburn.
It is reached via the D. L. & W. through Cortland.
It is located about one mile out of the village of Freeville.
There are good hotel accommodations at Freeville—Shaver's Hotel.
There is a beautiful "Inn" midway between the Republic and Freeville.
This new "Republic Inn" has every modern convenience.
The "Republic Inn" was built for the comfort and accommodation of our friends.
The "Inn" is not conducted controlled by the Republic Authorities.

**Important Days**
The Second Friday in January—Inauguration Day"
The Tenth of July—"Founder's Day"
The first Tuesday after the first Monday in November—"Election Day"
All other general holidays.
The second Saturday in each month—Executive Committee Meetings.

Weekly Events
Monday Night—Grand Jury meets.
Wednesday Night—Regular mid-week prayer meeting.
Thursday Night—Social Clubs meet.
Friday Night—Court.

The Fifteenth Annual Report of the George Junior Republic Association

...Officers...

- President, Thomas M. Osborne
- Secretarr, Joseph Burden
- Treasurer, A. G. Agnew 22 William St., New York City
- Founder, William R. George, Freeville, N. Y.
- Gen'l Supt., Calvin Derrick, Freeville, N. Y.
- Ass't. Supt., P. M. Helper, Freeville, N. Y.
- Att'g Physician, Dr. Homer Genung, Freeville, N. Y. J
- Field Dep't, Miss Susie Mac Murray. Freeville, N. Y.

Trustees...

1910

- Phillip Cabot, Boston, Mass.
- John F. George, N. Y. C.
- Prof. J. W. Jenks, Ithaca, N. Y.
- V. E. Macy, N. Y. C.
- E. E. Olcott, N. Y. C.
- F. W. Richardson, Auburn, N. Y.

1911

- A. G, Agnew, N. Y. C.
- J. G. Smith, Syracuse, N. Y.
- E. J. Wendell, N. Y. C.
- D. Rothschild, Ithaca. N. Y.

1912

- Frederick Almy, Buffalo, N. Y.
- Thomas M. Osborne, Auburn, N. Y.
- R. Montgomery Schell, N. Y. C.
Executive Committee

The business affairs of the Junior Republic are under the direction of an Executive Committee composed of the following:

- Hon. Thomas Mott Osborne, Auburn, N. Y.
- Dr. Homer Genung, Freeville, N. Y.
- Miss Anna T. Van Santvoord, Freeville, N. Y.
- Mr. Daniel Rothschild, Ithaca, N. Y.
- Prof. Chas. H. Tuck, Cornell University, Ithaca, X. Y.
- Prof. J. L. Stone, Cornell University, Ithaca, N. Y.
- Rev. C. W. Heizer, Ithaca, N. Y.
- Mr. Jacob G. Smith, Syracuse, N. Y.
- Mr. Peter F. McAllister, Ithaca, N. Y.
- Miss Frances Hawley, Freeville, N. Y.
- Mr. Frank Richardson, Auburn, N. Y.

Organization

Committee on Finance --- Messrs Rothschild and Tuck.
Committee on Legal Affairs- - - - Messrs Smith and McAllister.
Committee on Theory and Practice - - Messrs Osborne and Heizer.
Committee on School - - - - Messrs McAllister and Smith.
Committee on Maintenance- - - - Miss Van Santvoord and Mr. Heizer.
Committee on Improvement and Plant- - - - - Miss Van Santvoord and Dr. Genung.
Committee on Farm- - - - Professors Stone and Tuck.

Admission to the Republic

The George Junior Republic is a Training School for all classes of boys and girls. There are three qualifications which must be met by all who enter; First, a sound mind—no mental defectives are retained. Second, a sound body—cripples, deformed and sickly children are not accepted because they cannot be expected to meet the strenuous conditions implied and demanded by our motto, "NOTHING WITHOUT LABOR." Third, the candidate must be at least fourteen years of age.

It costs about three hundred dollars a year to support, train school, clothe and physically develop a Citizen. We do not exclude poor children because their parents cannot pay the full amount; we often take such boys and girls free of charge and then try to get the poor authorities of the town they came from to pay us something toward the support of the Citizen. In worthy cases of this kind there is usually some good person who is glad to aid the parents of the candidate in securing the necessary funds to defray at least a part of the burden of his or her support at the Republic. Many times a church society, a social club or other organization undertakes the support of a boy or girl from their vicinity.

Citizens may be received from the overseers of the poor, superintendents of schools, judges of juvenile courts societies, guardians, etc., as well as from parents; but in each and every case applications for admission must be made directly to the General Superintendent of the Republic. No one can be sentenced to the Republic! This is not a criminal institution.
Application and Surrender Blanks will be found elsewhere in this report.

The length of time a Citizen remains at the Republic varies from one to three years. Many of our Citizens remain five, six or seven years. Citizens coming to as from the town or county authorities or from a court, are taken for one year, the contracts with such authorities being renewable annually. However every parent or guardian from whom we accept a Citizen must sign the surrender blank.

See note on proceeding page.

Except in a most unusual case, no Citizen leaves the Republic with our approval with less than one full year of training. The brightest boys and girls, under the most favorable circumstances, cannot get the full training in a year. When parents are sensible and ready to co-operate with the forces within the Junior Republic there is seldom failure in the ultimate success of the training upon the life of the Citizen. If the Citizen leaves with our approval the George Junior Republic Association is entirely willing to be judged by the product it sends out.

It often happens, however, that weak and foolish parents seriously interfere with the training of their boy by promises that he may come home in six months, or when school is out or at some other definite period. They are the parents who have begged us most piteously to "save their boy over whom they can exercise no control" The boy has always Inn able to get what he wanted by teasing and by this process he still continues to rule the weak parent: and the parent starts the self-same method with the Republic Authorities. It is almost impossible to help the boy. His parents ruined him lost control of him and publicly acknowledged their failure. But even in the face of these facts the boy is still able to make the parent accede to lus wishes. Time, money and effort are all lost upon this boy until the parent can be eliminated or educated.

Relation of Parents and Citizens in the Republic

Parents may send their children tous with any kind of an outfit they choose, except that a large amount of unnecessary clothing, jewelry, etc., will not be permitted. The usual outfit calls for two suits, two pair shoes, three suits underwear and such other accessories as handkerchiefs, ties, brushes, etc. After this initial outfit the parent is not permitted to furnish clothing or other things easily converted into money. If the parents do send these things the Citizen is not allowed to receive them free, but must redeem the goods, at about face value, in Republic coin which he obtains by working regularly at some trade or on the farm. The object of this rule is to put the rich and poor boy on the same basis of self-support. There is a reasonably good store in the Republic at which Citizens may buy with their own coin nearly everything they need.

Perfect freedom in the matter of letter writing is allowed except the prisoners in jail, who may write letters only once a week—Sundays. Parents may write as often as they wish. The letters of all Citizens are censured as long as we feel the need of such precautions. Any piece of mail which we consider it unwise to let the Citizen have is withheld. In case of severe sickness, accident or runaway we notify the parent; but we do not undertake to render regular reports. However, such reports are cheerfully given when asked for.

Vacations are not fixed by the mere passage of time. Real progress in standards of Citizenship, thrift, and conscientious work in shop and school are the factors that determine whether or not a boy or girl is entitled to a vacation. The parents or friends are required to bear all the expenses of the vacation. A bond of fifty dollars must be deposited with the Republic Authorities to guarantee safe and prompt return of the Citizen. Upon his return the bond is sent back to the parent, or, if requested, applied upon the account of the parent with the Republic.

Parents are requested not to arrange for the vacation with the Citizen until the matter has been fully arranged with the "Office." No Citizen is granted more than two weeks vacation: please do not ask for a longer period.

If for reason which neither parent nor child are responsible a Citizen is returned to his home or dismissed from the Republic, (physical or mental disability) and there is any unused tuition to the credit of such parent, the money will be returned to the parent: otherwise the money is forfeited to the George Junior Republic Association.

People wishing to send boys or girls to the Republic should have the eyes, teeth and throat thoroughly examined and treated if necessary, before sending the child to the Republic.

The Unique Thing about the Junior Republic

The two main reasons why the George Junior Republic has such an absorbing interest to most people are to
be found in its form of government and the independent basis of self-support which every boy and girl is obliged to maintain within its bounds. Almost the first question asked by a visitor is whether the boys and girls do really govern themselves or if Mr. George and the Superintendent do not in reality direct the affairs of the government. Neither Mr. George, the Superintendent nor any other adult attempts to direct or even to directly influence the affairs of the government. The adult helpers, while always willing to discuss matters with any Citizen, or to express opinions about affairs in or out of the government circle with official or plain Citizen, are not expected or permitted to try to directly influence legislation, nor are the Citizens under any obligation, expressed or implied, to heed the opinion of the helpers. The government of the internal affairs is in the hands of the Citizens. As to their foreign relations, that is, matters relating to affairs or persons without the hounds of the Republic proper, the Citizens have nothing whatever to say. All of those matters are in the hands of the Superintendent.

Following is a brief description of the government by the Citizens,

The government of the George Junior Republic consists of three departments: the legislative, the judicial and the executive.

The legislative department is vested in the citizenship and all the laws are passed by the Citizens in town-meeting assembled, a majority vote deciding the fate of bills proposed. A bill must be signed by the President before it can become a law. The bills are drawn up and proposed in town-meeting just the same as bills are prepared and presented in the United States Congress.

The Citizens in the Republic, who are over fifteen years of age, are voters, the girls enjoying equal suffrage with the boys.

The judicial part of the government consists of two departments, the criminal or police court and the civil court. The judge presiding over the former is appointed by the President and holds office for one year unless removed for conduct not becoming a judge.

Connected with this court are the Attorney General, appointed also by the President, and a bar of ten or fifteen lawyers. A bar association has been organized and no Citizen is allowed to practice law until he has successfully passed the bar association's examination and paid a fee for his license. This reform in the legal branch of the government has had a tendency to greatly increase its efficiency and most of the boys now practising before the court are competent.

In addition to the Citizens' court, there is supreme court made up of three members of the Board of Trustees of the G. J. R. Association. All matters which cannot be adjusted in the lower court may be appealed to the supreme court.

If a difficulty arises between a helper and a Citizen it may be settled in the lower court providing the action is against the Citizen, but if the Citizen brings the action, the supreme court has original jurisdiction. To many people not familiar with the Republic and its affairs, it seems incredible, if not impossible, that a complete government can be carried on in this commonwealth by a community of young men and women not one of whom is twenty-one years of age. It is a popular fallacy that much of the direction of the government is given by the Superintendent or other adults. This is entirely wrong. There is no place, no point, at which the Superintendent, Mr. George or any other person, save a Citizen, enters into, or interferes with, the government of the Citizens.

It is true that the preamble of the Constitution gives the Superintendent the power of veto over any bill proposed and passed by the Citizen body, but it is also true that that power is almost never used. The Superintendent and other helpers do not enter into the discussions of bills about to become laws; they have nothing to do with the framing of such laws nor with the applying of the law.

The helpers have the power of the court of this government behind them to deal with Citizens the same as the Citizens deal among themselves. No arbitrary control is exercised, except such as comes under the head of parental control used exclusively along the lines of moral and ethical growth.

The executive department of the government is vested in a president, who has associated with him a vice-president and several other officers as police commissioners, board of health etc., elected by the citizens and a chief of police under appointment.

The president and vice-president are elected by popular vote for a term of one year.

The President, Vice-President, Attorney General, Secretary of State, Secretary of Treasury and the Chief of Police constitute a cabinet, and the President has power to convene this cabinet whenever he wishes to consult with them upon matters pertaining to the Government. The second question asked by the usual visitor to the Junior Republic is: “How do the Citizens support themselves and get an education at the same time?” The following brief description of the relation of our school and our industries will be sufficient to answer the question.

1st. In the Junior Republic everybody works. There are no idle classes simply because there is no money to
be had except as a return for work performed and no credit is given for meals or beds except in cases of sickness.

2nd. The boys of the Republic are classified into four divisions.

Note: The Hoo. T. M. Oabome is president of the Board of Trustees of the Association. The president of the Republic is the boy elected by the Citizens to act as their Chief Executive.

(1) Those who are first-class farmers, plumbers, carpenters or bakers etc.

(2) Those who show a willingness to learn a trade or stick to one job, even though they do not possess so high a degree of skill,

(3) Those who will not follow any job definitely, and cannot be depended upon to carry out their contracts or to do their work no matter how skillful they may be,

(4) Those who are too lazy or incompetent or unskilled to be classed anywhere else. Boys may be promoted from class to class by helpers. The maximum wages are $700 a week and the minimum wages are $3.50 a week. The following scale of wages is observed:—

- Wages 4th Class—not over $4.20 a week
- Wages 3rd Class—not less than $4.20 or more than $4.80 a week.
- Wages 2nd Class—not less than $4.80 or more than $5.10 a week.
- Wages 1st Class—not less than $5.10 or more than $6.60 a week.

All overtime 10 cts. per hour.

3rd. The girls are likewise divided into four classes. The grading is based on a consensus of opinion of all the house mothers in the Republic.

Wages for the various classes of work are as follows:—

- 1st class—$4.50 per week,
- 2nd class—$4.00 per week.
- 3rd class—$3.50 per week.
- 4th class—$3.00 per week.

Progress from 4th to 1st class depends entirely upon the individual.

The school is in session nine hours a day the same as the shops; no teacher, however, is on duty over six hours, and those pupils who attend school in the morning are working on the farm or in some shop in the afternoon, and vice versa.

Now every Citizen must have regular and steady employment. Let us suppose that a boy is learning the plumbing trade but also desires to attend High School. He earns $5.00 a week. His employer may say to him that he may attend school in the afternoon and continue to draw the same pay, provided his school work is satisfactory to the faculty of the school. If the boy tries to do his best in school all is well, but if he neglects his studies or if he is tardy, absent or inattentive he is "docked" by the teachers, at the same rate per hour as he would be by the head plumber for the same neglect in the shop, and the amount is taken from his time card day by day. For habitually or willfully doing poor work he may be discharged from school the same as from the shop. But since progress in the learning of a trade and promotion along the lines of government honors go hand in hand with the school, such discharge means social disadvantage as well as the probability of not advancing as rapidly in wages as the faithful pupil.

All Citizens under 18 years of age and under high school grade, must attend school unless excused by the principal of the school. The New York State law governing this point places the age limit at 16 years but the Citizens themselves raised the age to 18 years.

A fuller description of the school will be found elsewhere in this report.

**Number of Citizens in Republic October 1st 1909.**

Boy over 16 Girls Boys over 16 Girls 14-16 Boys Under 14 Girls Under 14 Received for Destitution 3 13 2 1 Received for Delinquency 13 1 2 1 Received for Improper Guardianship 1 6 1 Received from Poor Officers 4 6 Received from Parents or Guardians 37 10 19 7 Received by own application 2 Received Otherwise 3 4 1 Total 63 40 24 10

**Received during the year ending September 30th 1910**
Boys over 16 Girls over 16 Boys 14-16 Girls 14-16 Boys Under 14 Received for Destitution Received for Delinquency 1 6 1 3 Received for Improper Guardianship 1 Received from Poor Officers 1 1 1 Received from Parents or Guardians 23 2 24 6 Received by own application 4 4 6 1 Received otherwise 1 2 1 Total 29 8 39 10

View Looking North

General View

Discharged during the year ending September 30th 1910.

Boys Girls Boys over 16 14-16 Boys Under 14 Returned to Parents or Guardian 33 10 2 Placed out to Service 4 3 Placed in other Institutions 9 3 3 Left without permission 13 4 Otherwise discharged 4 2 Died Total 62 16 7 2

Number of Citizens remaining in the Republic October 1st 1910.

Boys over 16 Girls over 16 Boys 14-16 Girls 14-16 Boys Under 14 Girls Under 14 Total Received for Destitution 2 4 6 Received for Delinquency 7 4 7 1 1 20 Received for Improper Guardianship 3 3 Received from Poor Officers 2 3 23 1 6 Received from Parents 37 14 6 60 Received upon their own application 6 5 3 1 15 Received Otherwise 6 1 i 7 Total 54 39 34 9 1 137

The Way we Live at the Republic

If one examines the general view as found in the front I part of this report, he is impressed by the close resemblance the "Republic" bears to a modern village. There are no large buildings used as dormitories, no big shop in which everything is done. There are many modern, "homey" looking dwelling houses, several commodious shops, a beautiful chapel, a fine school house, a splendidly equipped hospital and a large and very conveniently arranged barn. The Republic is a big farm of 350 acres having upon it a modern village with its own system of water, sewerage, steam heat, roadways and cement walks.

There are four cottages devoted to the use of girls, and six cottages devoted to the use of the boys. Each has its own Cottage Mother who runs the house as she would her own home, as nearly as conditions will allow. All the Citizens boarding at any given cottage must observe the wishes and rules of the mother presiding over the house. The Citizen is at liberty to change his boarding place if he is not satisfied with the rules of the house, or board, or any other feature connected with it. On the other hand the Cottage Mother may dismiss him from her house for cause.

Of course, under this plan, there are as many different sets of rules as there are Cottage Mothers, but all are attempting to follow, in a general way, a certain line of training which shall result in practically the same thing. The social life is interesting. The girls and boys are given every opportunity to cultivate the social side of their lives. There are no-regulations" governing this question. It is worked out quite as naturally as in the world at large, except that strenuous, industrial Conditions act as a much better check than is usual outside. If a household of girls wish to entertain a party of boys or invite a certain cottage of boys to a party, they do not need to consult any one but their House Mother about the plans, boys etc. The girls in the house use their own money which they have earned to carry out the arrangements and they may be as extravagant or as modest in those arrangements as their bank accounts will warrant or as the "Mother" will sanction. Nearly every cottage has its piano and several boys have violins etc; music costs nothing. Many popular helpers will be present and a pleasant evening is passed. The next week perhaps the boys of some cottage will entertain the young ladies
from some other cottage, etc. One girls' cottage, the New York, give a five o'clock tea Saturdays. Of course Sunday has the usual church services consisting of morning service, Sunday School and evening service.

On Wednesday evening the mid-week prayer meeting is held from eight until nine o'clock. Thursday evening is "Club Night," and on this evening of one week all the girls in the Republic meet at the "House in the Woods," the beautiful home of Miss Anna T. Van Santvoord where they come in close contact with the "best in life" considered from every point of view. On the alternate Thursday evening the boys meet. On Friday night Court is held. Nearly every one attends Court. Skating, coasting, sleigh-riding, parties etc in the winter afford considerable pleasure. Athletics, picnics and walking are enjoyed in the summer months.

Our base-ball, foot-ball and basket-ball teams go to all the nearby cities and large towns to play, and, of course, many Citizens not on the team go along to "cheer things up." This gives touch, color and vim to our life. We have a good ball team and are proud of our record in this respect. Upon the athletic field our teams meet teams from Ithaca, Cortland, Binghamton, Syracuse, Sayre, Owego, Elmira, Auburn, Rochester, and many smaller towns.

Scene in the Grocery Store

Interior of the Furniture Shop

The Republic as a Trade School

LAST year the Republic entered upon a new and very important era of industrial life. For several years the Industries—farm, bakery, laundry, plumbing shop, furniture shop, printing shop etc. had been doing good work considering the very limited equipment at hand. Our hum, with 350 acres of land, 27 cows and 11 horses did not provide for our needs as it should, because, in the first place, there were too many demands upon the time and resources of the head farmer and teams: and in the second place there was not nearly enough stock to con-some the hay and fodder raised or to produce nearly enough butter and milk for our own use.

This condition on the farm was typical of every department in the Republic; there was just enough machinery and equipment in each one to "name the place" but not sufficient to carry out the work with efficiency and satisfaction, to say nothing of profit.

It is the theory of the present management that our industries can be made to pay a good profit in money and turn out a very much higher grade of workmanship by bring properly equipped. Many good friends of the Republic have come to coincide with us in this belief with the result that funds have been furnished by Mr. John D. Rockefeller and Mr. V. Everit Macy of New York City for the purpose of completing such equipment. Much has already been done. Our dairy has increased from 27 to 60 head; our horses from 11 to 14. A blacksmith shop is in successful operation. The laundry has a complete outfit of the best made washing machinery.

The bakery has a new "Ordway" oven with a capacity of 300 loaves of bread: the furniture shop has $300 worth of new tools and machinery; the plumbing shop has new quarters and many new tools: a sewing school has been started and several machines are in operation; the printing industry has been moved into a beautiful new brick building and its equipment completed.

Nevertheless, with all of this new machinery and with a better grade of help our advance along the lines of industrial efficiency has not been quite satisfactory. It is true that we have greatly decreased the operating expenses of many departments: it is also true that those departments showing a loss, show a much smaller loss than in former years. During the year just closed, for the first time, each and every department had to bear all expenses chargeable against that department: such items as stationery, printing, sundry supplies, repairs, rent, heat, light, power, etc., have all been charged against the department and not against general maintenance, improvement, equipment, etc., as in former years.

Two other very important factors also entered into our affairs of 1910 which greatly handicapped the work of the regular departments: one was the large number of collateral enterprises going on in the Republic, the building of the gymnasium, the hotel and the new addition to the school house. These operations called for a great deal of work from the boys and teams: our Carpenter Shop, Repair Department, Plumbing Shop and Machine Shop were constantly crowded and interfered with by the extra work they were doing for these buildings. This extended over a period of seven months. In the second place the demands upon the time and attention of the Superintendent in connection with the extensive building program greatly interfered with the
supervision and general oversight of the regular department work: therefore the plans and policies so carefully worked out the year before were not fully, and in some cases not wisely, worked out. It is not to be expected that we shall ever again face so many difficulties in one season. With the time and thought of the Superintendent free to carefully and constantly direct the affairs of the several departments and study their needs, it is to be expected they will make much better progress.

The following is a comparative statement which shows the increase or decrease in the operating expenses of the several departments.

**Comparative Statement of Operating Expenses**

1908 1909 1910 Showing Decrease in 1910 Showing Increase in 1910
(a)Salaries 13237.82 16274.87 17689. 89 1507.31 1218.02 1507.31 1218.02
(a) Meat 1963.54 533+62 82.75 36.62 5472.23 4265.11 3684.91
(a) Groceries 5654.08 4770.71 5654.08 1415.02 1218.02
(a) Bread 1520.65 1596-69 1948.05 41.48 Other Goods 2377.00 1821.95
1650.22 171.73 Postage Stat'ery 499.25 450.87 4783.63 4133.04 650.59
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1650.22 171.73 Postage Stat'ery 499.25 450.87 4783.63 4133.04 650.59
1507.31 1218.02 499.25 450.87 1417.81 1781.81
1417.81 1781.81

A Few Figures taken from the Department Ledger, October 1st., 1910

|------------|-----------|----------|-------|------|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Dr.        | 3,228.01  | 4,447.47 | Dr.   | 1,107.04 | 11. 670 98 4,44776   | 4,447.55  | 1,354.11  | 4,593.83  | 2.20 1.00 | 4,053.75  | 2.789.09  | 8,808.12  | 14,864.00 | 17,703 40 | 1,926.65  | 1,229.90  | 1.382.28  | 1,410 98  | 6,916.08  | 6,690.42  | 1,045.01  | 1,668.28  | 4,746.52  | 5,351.61  | 4,863 04  | 4,543,13  | 1,786.01  | 2,85874.74  | 1,190.46  | Wafer Bakery Laundry 3,911.74 3,724.85 3,301.09 | 3,505.45 | 83,478 81 1,561.95 | 1,561.95 | 1,027.72  | +768.56 905.00 2,855 82 193.74 Plumbing Shop Furniture Shop 6,067.21 3,684.99 3,216.12 2,813.14 | 3,109.02  | 3,806.55  | 11.737.52 13,639.00 6,325.74 3,758.14 3,410.61 2,044.58 2,204.02 3,823 08 14,237.86 | 10783.18 258.53 73.15 194.49 Print Shop 16.53 CHICKENS FARM GENERAL IMPROVEMENTS 102.12 2,500.36 Paid all Citizens Wages. $1398.96 Five months shut down for repairs and work on other buildings This serious loss is due to three factors: (A) A change of formers and the inexperience of the new man with boy help. (B) A serious drought which continued through out July. August and half of September and which caused the almost total failure of the potato crop and greatly injured the corn crop. (C) The death of two valuable horses from acute indigestion.

Exterior of the Franklin Print Shop

Interior of the Franklin Print Shop

Expense Income Loss 1908 3095.43 2764.94 330.49 Carter 1909 1743.12 686.93 1054.19 1910 1848.73 930.76 917.87 1908 2751.17 1414.97 1336.20 Haven 1909 2001.83 791.45 1210.38 1910 1908 1909 2237.47 1105.16 1232.31 6574.90 3753.94 2820.96 Hotel 16712.74 15848.77 863.97 1910 12583.70 12570.74 2575.32 12.96 1908 7909 4118.02 1 542.70 Howland 2684.53 827.36 1857.17 1910 3063.64 1713.92 1176.77 333.89
Financial

The financial support of the George Junior Republic rests with several hundred people scattered over several states. An annual contribution of one dollar entitles one to "The Citizen," a magazine which is published monthly at the Junior Republic. An annual contribution of five dollars gives one membership in the George Junior Republic Association while a gift of one hundred dollars makes one a life number. In order to facilitate the collection of funds Aid Societies are formed in the larger cities. Two Field Secretaries are also employed to collect funds, conduct an educational campaign and interest new capital in the work of the Republic. In this field of work lectures are frequently given. A person well qualified to talk upon the subject, with or without slides, may be had upon application at the office.

Our great drawback is a deficit, U was $14,647.75 on September 30th., last. It is a part of results of a fifteen years struggle: the other results are represented by a teeming village of boys and girls: twenty-seven boys who have been sent from the Republic to College; scores of girls and boys who have gone out into the very best of industrial life and success and hundreds who have gone out to a clean, earnest, humble walk in life; this great Alumni of true-hearted, loyal citizens is our greatest asset. When one reflects upon the fact that the "Junior Republic Association" has never received a dollar of state aid, and that it has no endowment to speak of, (the income from all endowments is $1,151,00) and when, in connection with this, it is remembered that he sides the real problem of current expenses the friends of the work have had to constantly increase and maintain the permanent improvements and equipment, one is surprised that the debt is not larger. It is the one thing that is confronting us in every new move for reform or economy, If we had no deficit and were free to buy all our goods and supplies for cash, taking advantage of the trade discount, we could greatly reduce our running expenses. Can you not aid us in reducing this deficit and in enlarging our Endowment Fund? Both money and advice are solicited on this point.

Please Read My Plea

We are supporting 155 Citizens between the ages of fourteen and twenty-one. For the training and support of forty-eight of them we receive no pay from any given source; we have over twenty for whom we receive less than two dollars a week and over thirty for whom we receive less than three and a half dollars a week while the actual cost is very much greater.

We are trying to make good, clean men and women out of unfortunate boys and girls; we are straining every nerve to send them into the world trained to take up life's work with sound minds and healthy bodies.

No physical defect is ever overlooked if surgical skill or medical treatment can correct it.

The burden of expense is very heavy upon comparatively few people. Will you not help carry the load? Will you not send us five dollars or three dollars or one dollar? The preparation of this little booklet represents a large out-lay in time and money. If it has afforded you any pleasure or given you any information we are amply repaid, but if each person to whom a copy comes would express their pleasure and confidence in our work by even a small donation we would be most grateful.

The Following Table is Worth Considering

The total expense of all cottage maintenance in 1908 was $38,496.17.
The total expense of all cottage maintenance in 1909 was $37,777.19
The total expense of all cottage maintenance in 1910 was $35,859.51
The total income of all cottages in 1908 was $25, 717.51
The total income of all cottages in 1909 was $26, 472.33.
The total income of all cottages in 1910 was $27, 439.10.
The total loss on cottage maintenance in 1908 was $12,778.66.
The total loss on cottage maintenance in 1909 was $11,306.86. The total loss on cottage maintenance in 1910 was $8,524.01.

The Chapel

The Gymnasium

The Forbes-Walter Hospital

Interior of the Laundry


Report of Massachusetts Aid Committee

In response to a letter written by Mr. Derrick, a meeting was held on March 29, 1910 at the home of Mrs. J. J. Storrow, 417 Beacon St., Boston. The purpose of this meeting was to form a Mass. Aid Committee which should be responsible for securing all contributions sent to the Republic; by Mass. contributors.

Since July 1, 1910 the monthly appeals have been sent out by its Secretary who forwards all checks to Mr. Agnew. A list of all contributors and their contributions is sent the last day of each month to the Field Secretary, that all records may be kept up to date. The Field Secretary sends a list to the Secretary of all contributions sent direct to Mr. Agnew.

It is hoped that there will be no misunderstanding in regard to the purpose of the Committee. It is not working independently but in co-operation with the management in its efforts to maintain and increase the number of contributors.

The Secretary has received since July 1, 1910. $2,082.00.

Massachusetts Aid Committee.

- MRS. JOHN E. THAYER, PRES.
- MRS. EDWARD D. BRANDEE
- MRS. WALTER C. BAILEY
- MISS FRANCES G. CURTIS
- MRS ARTHUR LYMAN
- MRS. DANA MALONE
- MRS. FRANCIS G. SHAW
- MRS. JAMES J. STORROW
- MRS. J. FRANKLIN MCELWAIN, SEC. 39 Chestnut Street, Boston

Report of Louise M. Blood, as Treasurer of the Ithaca Aid to the George Junior Republic.

The Treasurer charges herself with the following receipts:

The Treasurer credits herself with the following disbursements:

Treasurer's Report of Receipts and Disbursements of Concert given by Miss Gluck for Benefit of George Junior Republic.

Report of Buffalo Aid Society

Sent to A. G, Agnew, Treas. $462.50 Miss Belle R. Laverack, Treas., 519 Delaware Ave.
Report of the Olean Aid Society

$ 80.00 Mrs. J. M. Harris, Treas., 202 N. Clinton St.

Note: The Olean Aid was not formed until February 1910. Considering local conditions and time at work the above showing is remarkably good.

C. D.


Treasurer's Statement.


October 1st, 1909 Cash Balance General Fund $786.81 Receipts Donations 51, 224,94 Members 5,550.00 Hoard 15,874.19 G, J. R. Press 513.11 Sales and Misc. 8,119.39 Telephone 141,80 Interest on Investments 1,151.00 Interest on Bank Balance 85,614-23 Loan, Lee, Higginson & Co. 5,000.00 $91,401.04 PAYMENTS Last years indebtedness 15,871,30 Exchange on out of town cheques 17.90 Litchfield Branch, Interest Collected 112.50 Entertainment, N. Y, Woman's A it I 1,774,47 School District 925,00 85,614-23 Loan, Lee, Higginson & Co. 5,000.00 $91,401.04


The Hunt Memorial School

Faculty

Principal.
Mathematics ans Science.
Theresa B. Dodge. A. B.
German, Algebra.
Bertha Moyer, A. B. Arithmetic, History.
Bessie B. Outterson, B. S.
Elem. English, French, Latin.
Hannah Whitson,
Julia Guernsey,
Commercial Subjects.
Cecilia O'Connell.,
Geography, Drawing Physiology.
Historical Sketch

The story of the Hunt Memorial School is a story of evolution. In September 1896 a school for elementary pupils was opened at the Republic in a room at the Pioneer Cottage. This school consisted of thirty-seven pupils and one teacher. As the grades of these thirty-seven pupils ranged from the lowest primary to third year grammar the duties of the teacher were by no means light. For eight years the condition remained much the same though several changes were made, the most notable was the remodeling of the old cow stable in 1898. This provided a new study hall and two recitation rooms. At times there was one teacher, again there were two.

In January 1905 the modern, comfortable building donated by Miss Bourne and known as the Hunt Memorial School was completed and opened. It seemed as though this building would be adequate for all time but as the school was graded and new courses were added, a High School was organized and one by one the faculty increased until at last in 1909 the building was totally inadequate for the need.

It has often been said that a successful school in the George Junior Republic was an impossibility because of the heterogeneous character and training of the pupils. Toward the end of the school year 1909 there was manifested throughout the student body a desire to pass examinations and to be promoted. Without this attitude no school can grow. Decided evidence of this awakening was shown in the results of the examinations in 1910.

About twenty passed out of the Grammar school on preliminary certificates and the Hunt Memorial High School awarded Regents I diplomas to its first Academic graduating class in June 1910. Four of our students entered college without conditions. In the meantime we had become a Regents School of Senior Grade although reports showed less than fifty counts in 1908, we had 250 counts for 1909 and almost 600 in 1910.

This enthusiasm to accomplish something, sought new channels and our pupils were eager to participate in Prize Speaking Contests. In June 1910 in the Owasco Valley Prize Speaking Contest, the participants of which were members of the High Schools of Moravia, Dryden, Groton and the Republic, the first prizes were awarded to a boy and a girl from the Hunt Memorial School. The work of the sewing department has kept abreast with the times, the quality and quantity of the garments manufactured showing so great an improvement on those of the previous year that we feel we possess a model shop which can turn out any plain garment one wishes to order.

The outlook for the future is most encouraging. The new buildings with commodious quarters are nearly complete and since we have made such strides under adverse and crowded conditions what may we not hope to accomplish in more advantageous surroundings?

Course of Study Hunt Memorial School.

High School

**First Year**

- English
- Elementary Algebra
- Biology
- Latin
- Modern Language
- Stenography
- Book-keeping
- Typewriting
- Commercial Arithmetic
- Commercial Geography
- Drawing

**Note:** English is required of every student in each year. Each student is required to carry at least three
subjects, which may be chosen from the other subjects as electives.

SECOND YEAR

- English
- Plane Geometry
- Ancient History
- English History
- Latin
- Modern Language
- Chemistry
- Stenography
- Typewriting
- Book-keeping
- Commercial Law
- Commercial Arithmetic
- Drawing

Third Year

- English
- Modern Language
- Latin
- American History & Civics
- Physics
- Intermediate Algebra
- Drawing

FOURTH YEAR

- English
- Latin
- Modern Language
- Advanced Algebra
- Solid Geometry
- Plane Trigonometry
- Drawing

NOTE: Any first or second year subject may be taken, by a third or fourth year student, as an elective.

The Elementary School consists of five grades, from four to eight inclusive.
The majority of the students taking telegraphy are elementary pupils. The girls devote two hours each week to sewing.

DAILY PROGRAM

- From 7:30—10:00 Schoolroom Work
- From 10:00—10:15 Intermission Elementary School
- From 10:15—11:55 Schoolroom Work

DINNER

- From 1:00—2:55 Schoolroom Work
- From 2:55—3:10 Intermission High School
- From 3:10—5:30 Schoolroom Work

Pupils who attend school in the forenoon, work in the shops, on the farm and in the cottages in the
afternoon.

Pupils who attend school in the afternoon, work in the shops, on the farm and in the cottages in the forenoon.

Every two months the schools alternate, and the pupils who attended school in the morning attend school in the afternoon.

Christ Church

While Auburn Seminary was in session a theological student came over to conduct the church services, during the early part of the summer, Mr. Mitchell a former Y. M. C. A. secretary, was at the Republic, as friend and adviser, as well as preacher until the time of his vacation, when Mr. Stevens assumed charge. This fall it was decided that we needed a man, who should work both in the church and the gymnasium, and the right one has been sought through many disappointments. It is not fully settled at the time of writing, but when he is found, we hope it will solve many of our problems. The organized S. S. classes are well attended and the midweek meeting attracts a large proportion of the citizens while the meetings at the two jails, on Tuesday evening and late Sunday afternoon, are necessarily fully attended, but are especially enjoyed, for vital topics are discussed and hymns are sung which are dear to their hearts. A felt need is the organization of the church which is difficult owing to the different creeds, but a workable plan has been adopted and will be fully reported next year.

The Hospital

The Forbes—Walter hospital is a beautiful, well equipped building under the supervision of Dr. Homer Genung, our attending physician. A competent nurse is in attendance; the health and physical well being of the population is therefore, well looked after. Great care is given to such physical defects as stand in the way of the normal development or future happiness of the citizens. The eyes, teeth and throat of every citizen com-

Interior of Bread Bakery

Scene at the Farm

Seidell Cottage

Massachusetts Cottage

The Hawen

Carter Cottage

Jane Hope Cottage

ing to us, are carefully attended to. No case requiring the removal of adnoids is ever overlooked. We are under heavy obligations to some of the best medical skill in Ithaca for assistance they have given us in these cases, Drs. Gould and Kirkendall render us very valuable service in caring for the eyes of the citizens. Dr. Burr
Besemer, Dr. Kirkendall and Dr. Crum have often freely given their services in the operating room while the hospital of the City of Ithaca has always made it possible for us to place Republic patients requiring operations, some where in the wards. These favors are gratefully acknowledged.

The Gymnasium

This beautiful gymnasium, the gift of warm friends of the Republic was formally opened for use on Monday evening, January 29th 1911. The basement is provided with a large swimming pool, showers and locker rooms. Basket ball, roller-skating, marching, dancing are daily enjoyed.

191 To A. G. Agnew, Treasurer, 22 William Street, New York City. Enclosed I send you $ as a contribution to the work of The George Junior Republic at Freeville, N. Y. Address

Furniture Shop

Sceneion the Farm

Compulsory Arbitration in New Zealand
By James Edward Le Rossignol and William Downie Stewart
Vol. XXIV Reprinted from the Quarterly Journal of Economics August, 1910

The Quarterly Journal of Economics

Is established for the advancement of knowledge by the full and free discussion of economic questions. The editors assume no responsibility for the views of contributors, beyond a guarantee that they have a good claim to the attention of well-informed readers.

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Compulsory Arbitration in New Zealand

The writers desire to acknowledge their indebtedness to Mr. John MacGregor, of Dunedin, for important suggestions and criticism.

Summary

New Zealand not prosperous from 1879 to 1895. Conditions under which the arbitration act was passed in 1894. Mr. Reeves its author, 661.—Increase of associations and unions, 669.—Conciliation expected to be sufficient, but compulsory arbitration in fact resorted to, 672.—" Contract superseded by status," 673.—Agricultural laborers not affected, 675.—Minimum wages and their influence on efficiency, 678.—Preference to unionists, 679.—" Fair wages" and the "living wage," 683.—Rigidity of wages, and the inefficient employer, 686.—Uncertain whether workers' welfare has been in fact advanced, 687.—Influence on manufacturers and on cost of production; other factors affecting them, 689.—Opinion of employers and workmen, 692.—Amendment act of 1908 due to dissatisfaction among laborers, 693.—Strikes in 1906-1908, 695.—Peculiar case among miners, 697, and in the state collieries, 701.—Provisions of the amendment act of 1908, 704.—Voluntary arbitration again sought to be encouraged, 706.—Workers may evade the act altogether by the device of cancelling registration, 707.—Its future still uncertain.

With the exception of a few brief intervals of prosperity, times were hard in New Zealand from 1879 to 1895. The population of the colony increased considerably, but through an excess of births over deaths rather than an excess of immigration over emigration. From 1885 to 1891 there was an excess of emigration over immigration of about 20,000. This was the so-called "soup-kitchen period," when wages were low, when there were many unemployed, and when able-bodied men received aid from public and private funds. In 1889 it was
alleged that sweating existed in Dunedin and elsewhere, especially in the clothing trade, and a commission of nine members was appointed to investigate the matter. Six of the commissioners found no sweating in the colony, while a minority of three reported that it existed, "although only to a limited extent." One result of the investigation was the passage of the Factories Act, 1891, designed chiefly for the protection of women and children employed in factories. Another result of this and other causes was the compulsory arbitration law of 1894, designed chiefly to prevent strikes, but also to encourage organization and improve the conditions of labor.

In the year 1890 occurred the great maritime strike, which arose in Australia and soon spread to New Zealand, beginning in August and lasting until the first week in November. This, the only serious strike that the colony had ever had, made so profound an impression on the public mind that people were ready to listen to suggestions looking toward the prevention of such evils. The suggestion of compulsory arbitration came from the side of the laborers, who, beaten in the strike, looked to the State to do for them what they had been unable to do for themselves.


The Seamen's Union and other labor organizations took an active part in the political campaign of 1890, helped to win victory for the Liberal Party in the election of December 5, and strongly supported the labor legislation which followed, including the compulsory arbitration law. The author of that law was the Hon. William Pember Reeves, Minister of Labor in the Ballance Government.

It is impossible to say who first suggested compulsory arbitration as a remedy for strikes. The thought must have occurred to many minds during the trying times of 1890. Even before the strike, Mr. J. A. Millar, then secretary of the Seamen's Union and of the Tailoresses' Union, giving evidence before the Sweating Commission, said: "As to arbitration, my idea is that a competent judge should be appointed by the Government in the same way as the judge of any court, and that he should call evidence on both sides. I mean a permanent judge, who should be paid by the State for the settlement of these disputes; because it is in the interests of the State that no such disputes should exist. I would have this judge assisted by three representatives of each side, who should call evidence, and the decision of the judge should be binding on both parties for a certain time—say, six months. If workmen refuse to obey the court, pressure should be brought to bear upon them by their societies."

Parliamentary Debates, vol. cxlv, p. 188.

Later in the year, Mr. W. Downie Stewart, Sr., brought in a bill called the " Strikes and Board of Conciliation Bill," based on the voluntary principle. Compulsory arbitration was suggested in committee, but was strongly opposed by Grey and Ballance.


None the less, the passage of the compulsory arbitration law of 1894 was due to the enthusiastic efforts of Mr. Reeves, supported by the labor leaders. The bill was first drafted in 1891, but did not become law until the end of the session of 1894, after it had been passed three times by the House and rejected twice by the Council because of its compulsory features. The purpose of Mr. Reeves was two-fold. He says: "What the act was primarily passed to do was to put an end to the larger and more dangerous class of strikes and lock-outs. The second object of the act's framer was to set up tribunals to regulate the conditions of labor."


Mr. Reeves' chief idea was to prevent strikes, and a great deal more was said in Parliament about industrial peace than about the improvement in the conditions of labor which the act was to bring about. But there can be little doubt that the unionists, without whose help the act could not have been passed, thought more of the latter than of the former result, and looked upon the act as an important part of the new legislation for the benefit of the working class.


Mr. Reeves considered the compulsory feature essential to the successful working of the law. He thought the Massachusetts system of arbitration almost ideal, except that it was voluntary and not compulsory.

Broadhead, State Regulation of Labor and Labor Disputes in New Zealand, P.8.

In an interesting discussion in the House on September 16, 1892, Sir John Hall strongly attacked the compulsory features of the bill, saying that they were opposed to conciliation, were designed to force the workers to join the unions, and should be condemned as class legislation, which would tend not to the reconciliation of classes but to their estrangement. Mr. John Duthie condemned it as a piece of amateur legislation which would have a serious effect in checking enterprise and the investment of capital. Mr. Harkness said that the bill was drafted wholly in the interests of unionism. Mr. James Allen said that the workers would gain nothing by compulsory arbitration. Mr. Fergus accused the advo- cates of the bill of being demagogues. Some days later, in the Council, Mr. W. Downie Stewart strongly opposed the bill on the ground that it would
tend to encourage disputes, that awards would be hard to enforce, and that business affairs were too complicated to admit of a fair decision by any court. In view of later events some of these comments seem prophetic.


The bill was not adequately considered, either by its friends or its opponents. Mr. Reeves says: "During the three years and a half in which its fate was in suspense, it neither roused the least enthusiasm nor attracted much attention. Only the trade union leaders studied its provisions, decided to support it, and did so without flinching." Mr. Reeves admitted that it was a piece of experimental legislation. "Frankly," he said, "the bill is but an experiment, but it is an experiment well worth the trying. Try it, and if it fail, repeal it."


The Minister of Labor had set his heart on the bill; it had the support of the government; and, despite the opposition of a minority representing the business interests of the colony, it was finally put through, and received the assent of the Governor on August 31, 1894.

The act of 1894 was entitled: "An act to encourage the formation of industrial unions and associations and to facilitate the settlement of industrial disputes by conciliation and arbitration." By the amendment of 1898 the words, "to encourage the formation of industrial unions and associations," were left out. The act came into force on January 1, 1895, and the first case was decided toward the end of the year. Mr. Reeves left the Colony in 1896, to become Agent-General for New Zealand in London, afterwards High Commissioner, a post which he resigned in 1908 to become Director of the London School of Economics. Being absent from the Colony, he had little to do with the development of the act, which was amended almost every year as difficulties arose which the author could not have foreseen. The original act and the various amendments were united into a Compilation Act in 1905, amended again in the same year, and yet again in 1906. The latest and most important amendment was made in 1908.

Industrial Conciliation and Arbitration Act, 1905; The Industrial Conciliation and Arbitration Amendment Act, 1908.

The act as it stood in 1905 has been described so often that only a brief account of it is here given, with attention to some points not usually mentioned. An excellent summary is given in Broadhead's State Regulation of Labor in New Zealand, Chapter 3.

The act provides for the registration of industrial unions and associations of either employers or workers with the Secretary for Labor. As few as two employers or one firm with two members may form a union, but, in the case of workers, seven are required.

By the amendment act of 1908, the number of persons necessary to register an individual union was increased from two to three in the case of employers and from seven to fifteen in the case of workers.

The effect of registration is to make a union, or an association of unions, a body corporate, and renders both the union and its members subject to the jurisdiction of the Conciliation Board and the Arbitration Court. Any industrial union may apply to the Registrar at any time for the cancellation of its registration, but such cancellation does not relieve the union or any of its members from the obligation of any industrial agreement or award in force at the time, nor from any penalty or liability. The cancellation of registration on the part of an industrial union of workers removes it from the jurisdiction of the Board and the Court. But employers cannot thus escape. Arbitration, then, is in a sense voluntary for the workers but compulsory for the employers.

The colony is divided into eight industrial districts, in each of which there is a clerk of awards, appointed by the Governor. In every industrial district there is a Board of Conciliation for the settlement of disputes arising within the district. The Board consists of three or five members, one or two being elected by the industrial unions of employers, an equal number by the industrial unions of workers, and the third or fifth, as the case may be, elected by the other members. The Amendment Act of 1908 abolished the Board of Conciliation and provided for Councils of Conciliation to take their place.

An industrial dispute can be brought before a board through the clerk of awards by a trade union, industrial union, industrial association, or employer. If a settlement is arrived at by the parties, it is set forth in an industrial agreement. Otherwise the Board makes a recommendation for the settlement of the dispute, which becomes enforceable as an industrial agreement unless the dispute is referred to the Arbitration Court within one month.

Before the year 1901, a case referred to a board had to be heard by that body before it could go to the Arbitration Court, but in that year an amendment was passed permitting either party, after going through the formality of filing the dispute with the Board, to refer the matter to the Court, without any hearing by the Board or any agreement or recommendation. The old rule was re-established in 1908.

A neglected clause of the act provides for the creation of a special board of conciliators composed of experts in the particular trade to which a dispute relates, elected in equal numbers by the employers and the unions of workers concerned, and vacating their office on the settlement of the dispute. Oddly enough, such a
board has been set up only once, in the case of the strike of tramway employees in Auckland in May, 1908. The new conciliation councils established by the act of 1908 are very similar to

There is one Court of Arbitration for the whole of New Zealand. It consists of three members appointed by the Governor: a president, who has the status of a judge of the Supreme Court, and two other members, often called assistants or assessors. One of the assessors is appointed on the recommendation of the industrial unions of employers, the other on the recommendation of the industrial unions of workers. By an amendment passed in 1906, the title of "President of the Court" was altered to "Judge of the Court." Since the assessors are inclined to be partisan, the decision is virtually in the hands of the judge.

The Court may limit the operation of any award to any city, town or other part of an industrial district; or, on the application of any of the parties, it may extend the provisions of an award to another industrial district. Thus, a number of awards have been extended so as to apply to the whole of the North Island, and some have been given a still wider extension. Extension of awards is usually granted at the request of employers to prevent unfair competition on the part of their rivals in business.

Every award binds not only workers' unions but also individual workers, whether members of unions or not, working for any employer on whom the award is binding, and if any such worker commits any breach of award he is liable to a fine not exceeding £10. Before the year 1900 only workers' unions were liable for breach of award. In that year non-unionists were made liable, and, by the amendment of 1905, individual unionists also were made liable. Unions of employers, unions of workers, and individual employers are liable to fines not exceeding £500, but individual workers are liable to an amount not exceeding £10.

Mr. John MacGregor has drawn attention to a curious state of affairs existing from 1898 to 1905, when a strike or a lock-out, altho it might be a dispute, was not a breach of award and could not be punished under the act. Under the act as drawn up by Mr. Reeves, the Court could declare a strike or a lock-out to be a breach of award, but in 1898 the act was amended with the result as stated. Referring to these years, Mr. MacGregor says: "An employer who pays, or a worker who accepts, less than the minimum wage thereby commits a breach of award; but, if all the men employed in a factory at the minimum wage were to refuse some morning to resume work, except at a higher wage, they would not be committing a breach, because the Court cannot order any man to work for the minimum." Strikes and lock-outs were made statutory offences by the amendment of 1905, which prescribed fines not exceeding £100 in the case of a union, association, or employer, or £10 in the case of a worker. Under this law a large number of strikers have been punished in the past three years.

Fines may be recovered in a summary way under the provisions of the Justices of the Peace Act, 1882, and all property belonging to the judgment debtor may be seized and sold for the satisfaction of the debt. Where the property of a union or association is insufficient to pay the fine, the members are liable to an amount not exceeding £10 for each person. If individuals (employers or workers), alleging that they have no property, refuse to pay the fine, at the discretion of the Court they may be ordered to pay, after which, if they still refuse, they may be imprisoned for contempt. However, imprisonment has never been inflicted for this offence, and, under the act of 1908, it is no longer permitted.

By the act of 1905, all fines were made payable into the public account. Before this time fines levied upon employers were paid into the treasury of the workers' unions, a practice tending to multiply disputes and encourage other abuses.

As intended by its author, the act has greatly encouraged the formation of industrial unions and associations. Only unions or associations could be registered under the act; hence workers desiring to enjoy the benefits of conciliation and arbitration were obliged to form unions, and these soon were federated into associations. The employers, at first, had few organizations, but presently, in order to combat the efforts of the labor unions, they formed unions and associations of their own.

In the year 1896 there were 65 unions of workers with 9370 members; and only one union of employers, with 30 members.


In the year 1908, there were 325 unions of workers with a membership of 49,347; and 122 unions of employers with a membership of 3918.


Besides these, there are industrial associa- tions of employers and of workers, frequently employing paid secretaries who are prominent in industrial disputes. These secretaries, like the "walking delegates" of American unions, have been accused of fomenting disputes, but it is hard to see how the work of the associations could be carried on without them. Mr. Macdonald thinks that arbitration has "taken the steel out of the unions," that it has increased their membership while taking away their fighting spirit. But the general opinion among both employers and workers is that unions of both classes have been greatly strengthened, and the events of the past few years have shown that the workers have a good deal of fighting spirit left.
The act of 1894 was designed to provide for the settlement of serious disputes, such as would be likely to lead to strikes or lock-outs. But in practice any difference between employers and workers is considered a dispute within the meaning of the act.

Parliamentary Debates, vol. lxxvii, p. 30; Broadhead, op. cit., p. 49.

As has been clearly shown by Mr. MacGregor, "disputes" have multiplied, and the law, instead of being used to settle only serious cases threatening to "arrest the processes of industry," has created something which is not arbitration at all, but a system of governmental regulation of wages and conditions of labor in general.

Industrial Arbitration in New Zealand, by J. MacGregor, M. A., Dunedin, 1901. Also other articles by Mr. MacGregor.

Doubtless Mr. Reeves neither intended nor expected such an outcome, but in the light of subsequent events it is clear that compulsory arbitration could have no other result. Mr. MacGregor very appositely quotes Machiavelli's saying: "Let no man who begins an innovation in a state expect that he shall stop it at his pleasure or regulate it according to his intention."

The arbitration act was designed to improve the condition of the working class as well as to prevent strikes, and, therefore, practically all of the disputes have originated with the workers, while the employers have occupied the position of defendants. Wages were low in 1894, but toward the end of the following year business conditions began to improve and an era of prosperity began which lasted without a break until the winter of 1908. Had the system of conciliation and arbitration not existed, the workers would have looked to their employers to grant the concessions which they desired. But since the legal machinery was at hand, they proceeded to use it to obtain the same results. When any number of workers desired to obtain higher wages, shorter hours, or other concessions, they formed a union of seven or more persons, were registered with the clerk of awards of the industrial district in which they were, and proceeded to formulate their demands. These would be sent by letter to the employers concerned, and then, if the demands were not granted, a dispute was created which presently came before the Board of Conciliation.

Mr. Reeves thought that most of the cases would be decided by the boards and that only the most serious cases would come before the Court. In the Session of 1894 he said in Parliament: "I do not think that the Arbitration Court will be very often called into requisition; on the contrary, I think that in 99 cases in 100 in which labor disputes arise they will be settled by the Conciliation Boards; but unless you have in the background an Arbitration Court the Conciliation Boards will not be respected, and they will be virtually useless." Strange to say, the boards were not respected because of the existence of the Court, and because it was so easy to appeal to the higher tribunal.

In the early years of the act many cases were settled by the Boards, but the contending parties soon perceived that the Boards were not true boards of conciliation, but arbitration courts of first instance, and, wishing to have the decision of the highest tribunal, they carried most of the cases to the Arbitration Court. The workers were fairly well satisfied with the Boards, since the decisions were usually in their favor. But the employers were very much dissatisfied, and through their influence the amendment of 1901 was passed, permitting either party to a reference to go straight to the Arbitration Court. From the coming into operation of the act until December 31, 1901, 51 cases were settled by the Boards and 100 by the Court. From January 1, 1902, to December 31, 1905, 20 cases were settled by the Boards and 163 by the Court. In the year 1906 only two cases were settled by the Boards, and in the year 1907, up to May 31, not one case was thus settled, altho several recommendations were made.

Broadhead, op. cit., p. 35; Aves, op. cit., p. 93.

Besides, of the cases settled by the Boards in previous years, it is probable that nearly all could have been settled by friendly conciliation without the intervention of the Boards. Since the Act of 1908 went into operation, a number of minor disputes have been settled by the new Councils of Conciliation and the Court has been relieved of many trivial cases.

Many reasons have been given for the failure of conciliation. Mr. Reeves himself says that the system was tedious and cumbrous,


In one case a Board spent twenty-six days considering a dispute which was later settled by the Court in half a day.


Mr. Broadhead says that the members of the Boards were seldom specially qualified, that they were usually in sympathy with the labor party and were partisan in their decisions.

Broadhead, op. cit., p-81.

Mr. Aves gives as the chief cause of failure formality of procedure and partisanship.

Aves, op. cit., p. 92.
But Mr. MacGregor points to the root of the trouble when he says: "It is impossible to combine in the same scheme conciliation and compulsory arbitration."

Industrial Arbitration, p. 21.

In other words, conciliation and compulsion are opposed to each other, and the so-called conciliation boards are really arbitration courts of first instance, effective only in so far as they exercise a degree of compulsion, but for the most part ineffective when there is appeal to a higher court.

That governmental regulation is incompatible with freedom of contract was brought out in a forcible way by the Chief Justice, Sir Robert Stout, in a decision by the Court of Appeals in May, 1900. He said: "All contracts regarding labor are controlled and may be modified or abrogated. The Court can make the contract or agreement that is to exist between the workman and the employer. It abrogates the right of workmen and employers to make their own contracts. It in effect abolishes contract and restores status. The only way the act can be rendered inoperative is by the workmen not associating or not joining any union. No doubt the statute, by abolishing contract and restoring status, may be a reversal to a state of things that existed before our industrial era, as Maine and other jurists have pointed out. The power of the legislature is sufficient to cause a reversion to this prior state, altho jurists may say—that from status to contract marks the path of progress."


In a decision rendered in July, 1906, the Chief Justice said: "The right of a workman to make a contract is exceedingly limited. The right of free contract is taken away from the worker, and he has been placed in a condition of servitude or status, and the employer must conform to that condition.

Broadhead. op. cit., p. 93.

The judges of the Arbitration Court have been invariably jurists of high standing. There have been six judges in fifteen years,—Justices Williams, Edwards, Martin, Cooper, Chapman, and Sim. The position of judge of the Arbitration Court is not an enviable one and the judges have always been glad to be transferred to the regular work of the Supreme Court.

Some idea of the work done by the Conciliation Boards and the Arbitration Court may be got from the fact that the total number of awards, agreements, and recommendations made under the act from its inception until May 31, 1907, was 535, affecting 78 trades, and including 339 awards, 137 agreements, and 59 recommendations.

Aves, op. cit., p. 93; Broadhead, op. cit., p. 213.

The decisions have to do with butchers, bakers, builders, miners, slaughtermen, tailors, tanners, and nearly all important occupations except agriculture, the professions and the governmental service.

A recent decision relating to agricultural laborers is most extraordinary. It originated in a dispute between the Canterbury Agricultural and Pastoral Laborers' Union and the Canterbury Sheep-owners' Industrial Union of Employers and about 7000 farmers in the Canterbury industrial district. The dispute was referred to the Conciliation Board on November 16, 1906, and on the same day was referred by the union to the Arbitration Court. After hearing much evidence and thoroughly discussing the case in all its bearings, the Court decided, on August 21, 1908, that no award should be made, on the ground that it was impracticable to fix any definite hours for the daily work of general farm hands, and that the alleged grievances of the farm laborers were not sufficient to justify interference with the whole farming industry of Canterbury. Mr. J. A. McCullough, the workers' representative on the Arbitration Court, and a pronounced partisan, strongly dissented from the finding of the Court. In his formal protest he said: "It appears to me a most extraordinary and despotic proceeding to say that the largest section of the workers in this Dominion should be denied the right to have the conditions of their livelihood, their wages and hours of labor, fixed by means of the legislation which has been expressly provided for this very purpose."

The Press, Christchurch, August 22, 1908.

And yet, the amendment act of 1908, passed a few months later, expressly permits the Court to refuse to make an award if for any reason it considers it desirable to do so.

The awards and agreements made under the act cover a great variety of subjects, among which the most important are,—minimum wages, hours of labor, permits to incompetent workers, limitation of apprentices, periods of apprenticeship, piecework, distribution of work, holidays, meal hours, provision of tools, modes of payment, notice of dismissal, scope and duration of awards, interpretation of awards, extension of awards, breaches of awards, and fines. In most of the awards, particularly during the early-years of the act, the workers gained something. Mr. Aves says: "In the whole series of awards, there has been only one insignificant case when wages have been reduced, and two when hours have been increased. There have, however, been many instances in which, on renewed application of the Court, no fresh award has been granted, and when, therefore, conditions have been left unaltered."

Aves, op. cit., p. 99.

In most of the awards a minimum wage is granted, and this is never a bare subsistence minimum, but rather
an ideal wage such as an able-bodied worker of average ability ought to earn. It has generally been fixed at a point higher than the average wages prevailing in the trade at the time the award was made.

One important effect of the establishment of so high a minimum wage is that workers of less than average ability find it hard to obtain constant employment. This difficulty has been partially met by granting under-rate permits to such workers. But most workers, other than old men, do not like to be branded as incompetent, so that not many under-rate permits are applied for or granted. During the years 1902 to 1907, 1288 permits were granted, 603 by chairmen of conciliation boards, 614 by secretaries of unions, and 71 by stipendiary magistrates, while in 121 cases the applications were not granted.

Aves, op. cit., p. 151.

An interesting case occurred after the Auckland Furniture Trade award of February, 1903, when 31 workers out of a total force of between 200 and 300 were discharged or suspended by different employers on the ground that they were not worth the minimum wage granted by the award. The Secretary for Labor, as well as the workers' union, took proceedings against the employers for breach of award, but the complaints were dismissed by Justice Cooper, who held that "the employers had done nothing beyond what a reasonable employer is entitled to do in the ordinary regulation of his business."

Book of Awards, vol. iv, p. 135; Broadhead, op. cit., p. 73.

The workers were much dissatisfied with this decision, and an amendment was passed in 1905 for the express purpose of declaring such action on the part of employers to be an offence. "In order to maintain an appearance of equality, it was, of course, necessary to extend the provision to analogous action on the part of workmen, and thus it came about that strikes as well as lock-outs were made offences."

Manuscript by J. MacGregor, 1908.

It is often stated that the granting of a minimum wage works a hardship upon the worker of more than average ability, since the employers, being compelled to pay the minimum wage to a large number of workers of less than average ability, are unable, if not unwilling, to pay more to superior workers. The general opinion among employers and theorists is that the average wage tends to become the minimum, the minimum tends to become the standard, and the standard tends to become the maximum.

Broadhead, op. cit., p. 72; Aves. op. cit., p. 194; Clark, the Labor Movement in Australasia, p. 230; Labor and the Arbitration Act, a speech by the Hon. Dr. Findlay, June 17, 1908.

A recent investigation by the Department of Labor shows that wages are by no means so uniform as one would expect from a theoretical point of view. Out of 2451 employees in factories in Auckland City, excluding under-rate workers and young persons, 949 received the minimum rate, and 1504, or 61 per cent of the whole, received more than the minimum. In Wellington, the per cent receiving more than the minimum was 57; in Christchurch, 47; and in Dunedin, 46.


The most reasonable conclusion that one can draw from these facts in relation to the theory stated above, which certainly has some validity, is that the minimum wages awarded in most of the trades are not high, that the average worker fully earns the award rate, and that it pays the employer in most cases to give higher wages to the better men. This conclusion is substantiated by a consideration of the prosperity of New Zealand and of the slight effect which the awards seem to have had on the prices of manufactured articles. It should also be remembered that the superior worker is more regularly employed than the average, so that his yearly wage must be higher than the amount indicated by the figures of weekly wages only. But where the minimum is placed too high there must be a tendency toward a levelling down of wages, which cannot but be discouraging to the more efficient worker, and injurious to the industrial efficiency of the Dominion. For this reason, the objection of the unions to piece-work is probably ill-founded, and, in so far as the Arbitration Court has decided against the piece-work system, it has injured the efficient worker and increased the cost of production of manufactured articles.

In order to prevent such results, Dr. Findlay has suggested a double, or, rather, a primary and a supplementary standard,—the primary standard to be a "living wage," based on the reasonable "needs" of workers of different classes, and the supplementary wage to be based on the extra work done by the more efficient workers. In other words, there should be a minimum wage based upon the day's work, and an additional wage based upon the work of the day as a premium upon efficiency.


Quite apart from the theoretical difficulties of Dr. Findlay's suggestion, the proposal to establish an "exertion wage" was not well received by the labor leaders of New Zealand, who appear to have an ineradicable objection to anything like a task system, and a profound dislike of "pace-makers, chasers, runners and bell-horses."

The Evening Post, Wellington, July 28, 1908.

In the decisions of the Arbitration Court, questions as to wages and hours of labor occupy first place, but
close after these comes the claim of unionists for preference of employment. The Act of 1894 was specially designed "to encourage the formation of industrial unions and associations," and at first non-unionists were neither recognized by the law nor under the jurisdiction of the Court. It was, therefore, natural that the Court should favor unionists. The first decision recognizing the unionists' claim to preference was given in December, 1896, when the following clause was inserted in the Canterbury Bootmakers' Award: "Employers shall employ members of the New Zealand Federated Bootmakers' Union in preference to non-unionists, provided that there are members of the union who are equally qualified with non-members to perform the particular work required to be done and are ready and willing to undertake it."


Since, however, the employer was the judge of the qualifications of his employees, the unionists did not gain much by this decision. In later awards it was usually specified that preference was granted only when the union was not a close guild but practically open to every person of good character who desired to join. Preference was not usually granted where the unionists were but a fraction of those working at a trade.

Reeves, op. cit., vol. ii, p. 112.

Among the arguments in favor of preference, the chief is that the unionists go to much trouble and expense to obtain concessions, not only for themselves but for other laborers, and that non-unionists can obtain preference by joining the union. Also, preference is sometimes regarded as a compensation to unionists for having given up the right to strike. Preference, too, protects active unionists from being victimized by their employers. Again, unionists generally object to working in the same shop with non-unionists. In brief, the question is practically the same as that of the closed shop in the United States.

Non-unionist laborers object to preference on the ground that it tends to compel them to join the union. Preference, they say, is compulsory unionism. Employers object to preference because it increases the power of the unions and interferes with the employer's freedom in employing and dismissing. In some cases they would discriminate against unionists, whereas, when preference has been granted, they are obliged to examine the employment book kept by the union in order to give the unionists the first chance of employment. Failure to do this is generally regarded as a breach of award.

Preference has been granted in most of the awards. Out of 159 awards in force on March 31, 1906, preference had been granted in 115 cases, refused in 40 cases, and not asked for in 4 cases.

Broadhead, op. cit., p. 113.

But since preference is usually granted on conditions similar to those mentioned above, the unionists are dissatisfied and demand unconditional preference, which would prevent the employment of non-union men while any unionists were available, whether competent or not. The Arbitration Court, except in a few minor cases, has refused to grant unconditional preference, and the unionists, realizing that preference to an open union is no preference at all, now look to Parliament for redress and demand statutory unconditional preference to unionists.


This the present government are opposed to granting, and even Mr. Millar, until lately Minister of Labor, does not favor it.

Parliamentary Debates, vol. cxliv, p. 188.

In the administration of the act, the sympathy of the Department of Labor is generally with the workers, and the employers complain of partiality. From March 31, 1900, to March 31, 1904, there were 213 cases of breach of award brought against employers, in 171 of which convictions were secured. In the same time there were only four cases brought against workers. Since the inspectors of factories were made inspectors of awards, in 1903, more complaints have been brought against workers, particularly those taking part in the strikes of the past few years. One would expect a large proportion of cases for breach of award to be brought against employers, since the awards have usually been made for the benefit of the workers. Also, employers have little to gain by prosecuting workers. When fines are inflicted upon employers for paying less than award rates, they are made large enough to include back wages, except when the workers have knowingly accepted the illegal rates. The inspectors frequently recover back wages without prosecution.


There is a pretty well-defined theory in justification of compulsory arbitration in the minds of those who favor that method of settling industrial disputes. The competitive system, in this view, has resulted in two great evils,—sweating and strikes. Under sweating the workers receive less than enough to secure a decent subsistence for a human being. The strike is a form of private war in which the strongest win, not those who have justice on their side, and which causes great inconvenience to the public, who are a third party in every strike. All the evil and injustice should be done away with by an appeal to a court, which should establish relations between employers, workers, and the public according to principles of justice.

On the surface the theory appears to be highly reasonable, but when put into practice, serious, if not fatal
difficulties arise. One of these has to do with the discovery of specific principles of justice; the other with the enforcement of awards supposedly just. So great are the difficulties in the way of discovering principles of justice in the determination of wages, that one of the most distinguished of the former presidents of the Arbitration Court has stated that no such principles exist.

The theory of fair wages that appears to prevail is the doctrine of the living wage, stated both in its negative and its positive form. Stated negatively, the theory holds that extremely low wages, such as are found under the sweating system, are not fair wages, because insufficient to afford a decent living according to the colonial standard.

Aves. op. cit., p. 100.

Stated positively, a fair wage is a wage which is sufficient to give the worker a decent living according to the colonial standard, which is higher than the British standard, considerably higher than that of continental Europe, and immeasurably higher than that of the Chinese or Indian coolie. This standard applies, of course, only to the able-bodied worker, because the aged and infirm are not worth so much to the employer. Here is introduced another principle, the principle of payment according to the ability of the employer, and how these two principles can be reconciled it is

Other difficulties arise when the theories are applied to actual cases. For example, a wage which would be quite sufficient for a single man might be inadequate for a married man, and should vary with the size of his family and their ability to contribute to their own support. But if a married man is to receive more than a single man of the same ability, he will find it hard to get employment except in the most prosperous times. Again, a living wage for a skilled worker must be higher than that for a common laborer, since his standard of living is higher. This arises from the fact that skilled laborers are scarce; but here another complicating factor is introduced, the supply of labor, which, in densely populated countries, threatens to destroy not only the theory but the possibility of a living wage.

These and other complications prevent the creation of a body of legal principles defining and explaining the nature of fair or reasonable wages, but do not prevent the Court from bearing in mind the desirability of keeping the customary standards of colonial life from falling, and the equal or greater desirability of raising those standards as much as possible. The doctrine of a living wage, then, is not an established legal principle, but an ideal toward which people may strive. The Arbitration Court, not being bound by precedent nor hampered by technicalities, and having legislative as well as judicial powers, may do its best to attain the ideal within the limits fixed by economic law. But one hears little about economic law in New Zealand, and much more about justice and fairness in distribution, as tho there was no such thing as market value and the effort to attain the desirable had no relation whatever to the possible.

The doctrine of a living wage is nothing more than a starting point for the workers of New Zealand. They demand a living wage and as much more as they can get. Realizing the fact that some employers can afford to pay more than others, the workers desire that some form of profit-sharing be established by the Arbitration Court.

Otago Dally Times, May 18, 1907.

But the Court has repeatedly stated that profit-sharing could not be taken as the basis of awards, on the ground that it would involve the necessity of fixing differential rates of wages, which would lead to confusion, would be unfair to many employers, and unsatisfactory to the workers themselves.


In practice, the awards appear to be based on two main principles: first, the desire and intention of the Court to secure a living wage to all able-bodied workers; second, the desire of the Court to make a workable award, that is, to grant as much as possible to the workers without giving them more than the industry can stand. In doing this regard must be had to the prosperity of a given industry as a whole, if not to the profits of individual employers. It is usually taken for granted that no reduction will be made in the customary wages in any industry, and, in times of depression, this might be regarded as a third regulative principle. Again, it is the custom of the unions, in formulating their disputes, to demand more than they expect to get, knowing that, in the worst case, they will lose nothing. So frequently has this been done that one might almost lay down a fourth regulative principle, the principle of splitting the difference.

During all the years since the act was passed, political power has been in the hands of the Liberal Party, so that both the government and the judges have been disposed to do what they could for the working class. If they have not done more, it is because they could not, or thought they could not, without grave injury to the industries of the country. Justice Williams, the first president of the Court, said in a letter to the London Times: "The duty of the Court is to pronounce such an award as will enable the particular trade to be carried on, and not to impose such conditions as would make it better for the employer to close his works, or for the workmen to cease working, than to conform to them."

Broadhead, op. cit., p. 57.
The rigidity of system which is characteristic of the railway rates seems to be taking possession of the regulation of wages also. When the awards were few in number it was easy to make a change without any serious disturbance to industry, but now that they are numerous and their scope has been widely extended, it is difficult to make a change in one without making many other changes, for the sake of adjusting conditions of labor to the changing conditions of business. There is, therefore, a temptation to abide by the established conditions. As Dr. Clark says: "The total effect is to make the condition of status more rigid."

The Labor Movement in Australasia, p. 204.

Another stumbling-block in the way of advance in wages is the inefficient or marginal or no-profit employer, who, hanging on the ragged edge of ruin, opposes the raising of wages on the ground that the slightest concession would plunge him into bankruptcy. His protests have their effect on the Arbitration Court, which tries to do justice to all the parties and fears to make any change for fear of hurting somebody. But the organized workers, caring nothing for the interests of any particular employer, demand improved conditions of labor, even tho the inefficient employer be eliminated and all production be carried on by a few capable employers doing business on a large scale and able to pay the highest wages.

This is not to say that even the most efficient employers could afford to pay wages much in excess of those now prevailing. Dr. Findlay has made an elaborate statistical examination of this matter, and arrives at the conclusion that if all the net profits, excluding interests, of all the employers in New Zealand, except farmers, were divided among all their employees, the yearly increase in wages would be very small. He says: "Any attempt to lay violent hands upon these profits would put an end to all business enterprise, and thus destroy the very source from which the profits are drawn."

Labor and the Arbitration Act, 1908, p. 10.

From such a statement as this it is but a step to the position that wages are determined chiefly by economic laws, and that the Arbitration Court can cause, at most, very slight deviations from the valuations of the labor.

It is not easy to show that compulsory arbitration has greatly benefited the workers of the Colony. Sweating has been abolished, but it is a question whether it would not have disappeared in the years of prosperity without the help of the Arbitration Court. Strikes have been prevented, but New Zealand never suffered much from strikes, and it is possible that the workers might have gained as much or more by dealing directly with their employers than by the mediation of the Court. As to wages, it is generally admitted that they have not increased more than the cost of living. A careful investigation by Mr. von Dadelszen, the Registrar General, shows that, while average wages increased from 1895 to 1907 in the ratio of 84.8 to 104.9, the cost of food increased in the ratio of 84.3 to 103.3. No calculation was attempted for clothing or rent.

Year-Book, 1908, p. 539.

It is a common opinion in New Zealand that the increase in the cost of living has been due largely to the high wages and favorable conditions of labor fixed by the Arbitration Court, but so widespread a result cannot have been due to local causes alone. There may be, and probably are, cases in which the awards of the Court have compelled manufacturers to raise the prices of their products, but these are doubtless exceptional. If it is true that in most cases the Court has awarded wages no higher than the industries could stand, and little, if any, higher than the labor market would have effected without arbitration, then it is probable that the increased cost of living has been due chiefly to other causes, to the prosperity of the Colony, the prosperity of the world in general, and the increased production of gold during the period under discussion. Some think that the rise in prices has been due to combinations of manufacturers and merchants, but tho it is true that such combinations exist, their control over prices appears to be very slight.


Manufacturers complain that the awards have been so favorable to the workers as to make it difficult to compete with British and foreign manufacturers, and demand that either the arbitration system be abolished or that they be given increased protection by higher duties on imported goods. It is claimed that the growth of manufactures has not kept pace with the growth of population and the importation of manufactures from abroad.


There is reason to think that the boot trade, fell-mongering, and flax-milling have been hampered by the awards, particularly during the depression of 1908-9, when the manufacturers could not adjust wages to the depressed conditions of the market.


Mr. Broadhead says: "It is commonly remarked among business people that industrial enterprise in New Zealand has been checked to a considerable extent by the labor laws of the country. It is an undoubted fact that many people having money to invest have been careful to avoid any concern in which labor is the chief item in
expenditure. It may be remarked, too, that hardly any new industry has been started for some years."

  Broadhead, op. cit., p. 218.

Even Mr. Millar spoke in the same strain in the House: "There is a limit beyond which wages cannot go in this country or any other country. The limit between the cost of the imported article and the manufactured article is so small now that the least thing can turn it one way or another."


There is such agreement among manufacturers as to the effect of compulsory arbitration in increasing the cost of production that their statements cannot be lightly dismissed, especially as many unbiased writers concur in the opinion. From 1896 to 1901, there was a period of rapid growth of manufacturing establishments, many of them new to New Zealand, and in those years the number of hands employed and wages paid increased by 56 per cent and 63 per cent respectively.

  Year-Book, 1902, p. 103.

From 1901 to 1906 the growth of manufactures was considerable, tho not so great as during the former period. In this time the population increased by 15 per cent, the total imports by 29 per cent, the number of hands employed in manufactures by 22 per cent, the wages paid by 33 per cent, and the value of the output by 31 per cent.

  Year-Book, 1909, p. 405.

However, the growth was chiefly in manufactures which have to do with the preparation of raw materials for market, such as meat freezing and preserving, butter and cheese factories, saw-mills and flax-mills. Most of the other manufacturing establishments show a moderate improvement, such as printing establishments, grain mills, tailoring, furniture and cabinet-making, coach building, brick works, agricultural implement works, and sugar-boiling. Others, including woolen mills, show a very slight improvement, while several important industries, including tanning and fell-mongering, iron and brass foundries, clothing and boot and shoe factories and breweries, show a falling off.

These statements refer only to the value of the output, as shown in the reports of the census. Statistics relating to the profits of manufacturing, as given in the census reports for 1901 and 1906, in so far as they are to be relied on, show that profits in general are not at all high. In 1901 the total value of manufactures was £17,853,113, while the combined value of the materials used and the wages paid was £11,052,417. In 1906 the value of the manufactures was £23,444,235; the value of materials, £13,163,692; the amount paid in wages, £4,457,619; and the combined value of materials used and wages paid, £17,615,311.

  Year-Book, 1909, p. 419.

According to these figures, the gross profit in 1906 was less than in 1901, altho a much larger business was done in the latter year than in the former. Also, if one were to deduct interest, and other items of cost, the net profits of manufacturing enterprise would appear to be low. This conclusion is confirmed by the income-tax statistics, which show that, in the year 1907-8, the gross profits of traders, manufacturers, and business men were £7,775,579, upon a capital of at least £40,000,000. This, again, does not seem to be a high rate of gross profit, considering the risks undertaken by business men. The profits, however, of merchants are probably higher than those of manufacturers, if we except meat-freezing and kindred establishments.

  Findlay, Labor and the Arbitration Act, 1909.

Unquestionably, manufactures, with the exception of the great industries which work up raw materials for market, are not doing any too well. But it is not likely that compulsory arbitration is the chief cause of this. The high wages which manufacturers have to pay are due chiefly to industrial conditions which always prevail in a new, thinly populated country with great natural resources awaiting development. The more prosperous the agricultural population, the higher wages must be, and the more difficult it is for manufacturers to find workers. This is particularly true of women workers, for whom there is an active demand in the matrimonial market.

  New Zealand manufacturers produce on a relatively small scale, find it hard to compete with imported goods produced under totally different conditions, and are inclined to throw the blame upon the Arbitration Court. Certainly, the Court has done nothing to lower the cost of production, except in the way of preventing strikes and has probably increased it somewhat, not so much by fixing minimum wages as by granting, in many cases, limitation of apprentices, prohibition of piece-work, and other restrictions. As Dr. Clark says: "All regulations restricting the freedom of employers in conducting their business probably add to the cost of production."

  The Labor Movement in Australasia, p. 233.

Many employers believe that the cost of production has been increased by a decline in the efficiency of labor due to the fixing of high minimum wages, which discourages capable men from doing their best work. Mr. G. T. Booth says: "I am quite sure that the arbitration system has resulted in a loss of industrial efficiency far greater than ever resulted from strikes." Mr. Booth asserts that the annual output per man in a certain industry (engineering) has fallen from £254 in 1901, to £224 in 1906, but, as Mr. Ell pointed out, this may have
been due to other causes.

Parliamentary Debates, vol. cxlv, p. 210; Annual Report of the Canterbury Employers' Association, 1908. There is much difference of opinion about this matter. In reply to one of the questions sent out by Mr. Aves, 6 employers and 13 employees said that efficiency had been increased, while 29 employers and 1 employee said that it had been decreased.

Aves, op. cit., pp. 109, 180.

It seems probable that the "go easy" way of working has gained ground in New Zealand in recent years, but the same phenomenon is observed in other countries, and the tendency of trade unionism everywhere seems to be toward a levelling down which cannot but discourage a high degree of industrial efficiency.

The employers, at best, give but a grudging approval to the Arbitration Act. The farmers, as a class, are decidedly opposed to it.

Evening Post, Wellington, June 30, 1908.

Mr. Massey, the leader of the Opposition, said in the House that he was opposed to compulsory arbitration.


Mr. William Scott, secretary of the Otago Employers' Association, says: "Thirteen years' experience as an employers' advocate before the Court compels me to admit that any method of regulating wages by act of Parliament must in the end result in failure."

Scott, Address before the New Zealand Employers' Federation, August 28, 1907.

Mr. Broadhead very fairly sums up the attitude of the employers, thus: "Some, for business or other reasons, decline to express an opinion on the act, but say that the act has been diverted from its original purposes; others, and these, I think, form a large proportion of the employers in the Colony, have little or nothing to say in favor of the act, and express the opinion that it would have been better for the industries of the Colony if it had never existed."

Broadhead, State Regulation, p. 208.

It should be remembered, however, that these opinions were expressed when the employers were alarmed and disgusted with the act because of several important strikes. Since that time they have come to realize that they might have lost more by strikes than they have ever lost by arbitration; and, since the workers have been dissatisfied, the employers are more disposed to stand by the act, or to maintain a neutral attitude, waiting to see what the workingmen will do.

The dissatisfaction of the employers was not the chief of the causes which brought about the amendment Act of 1908. The original act and most of the amendments were passed for the benefit of the working class and had they been satisfied there would have been no material change. The workers expected great benefits from the act, and for some years they were well satisfied with the results. Travellers from abroad, like Mr. Henry D. Lloyd, found almost everybody loud in praise of the act, and only a few critics, like Mr. John MacGregor, prophesying against it. When M. Félicien Challaye visited New Zealand in the year 1900, he attended a meeting of the Wellington Trades and Labor Council, and got the members to express individually their opinion of the act. One after another they recited the advantages of compulsory arbitration: higher wages, shorter hours, steady employment, and other benefits. "It has put thousands of pounds in our pockets," said one member. "It is a part of our religion," said another. But as the early awards expired and fresh disputes arose, the Court frequently declined to make substantial concessions to the workers, who soon began to express their dissatisfaction. According to Mr. Broadhead, the first protest against an award was made at Christchurch, in 1901, when the Christchurch Operative Bootmakers' Society unanimously passed a resolution declaring that the recent award in their trade was "against the weight of evidence." In August of the same year the Canterbury Trades and Labor Council condemned the action of the Court in refusing to make a complete award in the wool-scouring and fell-mongering trades.


From this time complaints against the Court became more frequent and bitter, not because wages were reduced, but because they were not increased, and because other demands were not granted. Great dissatisfaction was aroused because of the Dunedin Seamen's Award of February, 1906, when the Court refused to grant the demands of the seamen, on the ground that no substantial difference in circumstances had arisen since the last award. The workers' representative dissented from this decision, which aroused great indignation among all classes of workers. The secretary of the Seamen's Union is reported as saying: "The seamen have given so-called arbitration a very fair trial, extending over about ten years. The most cherished principles that they are striving for have been denied us by the Court, and improvements in the seamen's condition are evidently not obtainable under the present system of arbitration." Numerous resolutions were passed by labor organizations condemning the action of the Court, and the Australasian Federated Seamen's Union of Wellington passed a resolution recommending that a ballot be taken of all the members in New Zealand on the question whether the registration of the union under the act should not be cancelled. The seamen also
At the Meeting of the Trades and Labor Council of New Zealand, at Christchurch, on April 19, 1906, Mr. D. McLaren moved: "That this Conference has no confidence in the Arbitration Court as at present constituted," but the motion was lost by a vote of 11 to 5.


The next strike began on February 12, 1907, when the slaughtermen employed by two meat-freezing establishments near Wellington struck for higher wages, demanding 25s. per 100 sheep or lambs slaughtered, instead of the old rate of 20s. The trouble was settled by a compromise at 23s. The Gear Company resumed work on February 18, and the Wellington Meat Company on the following day. Encouraged by this success, the slaughtermen in various parts demanded higher wages and went on strike when these were refused. In every case a compromise was effected at 23s. It was not until March 16 that the strikes came to an end. Presently, the men were cited to appear before the Arbitration Court and fines were imposed. The original strikers escaped on a technicality, but all the rest, 266 in number, were condemned to pay £5 apiece, the fines amounting to £1330 in all. Up to March 31, 1909, £776 was recovered, leaving £553 unpaid, since the delinquents could not be found, some having gone back to Australia and others being scattered in different parts of the Colony. Since that time orders of attachment of wages were served on those who had ignored the final notice, and by this means about £100 more were secured.


Early in the year 1908, a strike occurred among the coal miners of the West Coast which continued for eleven weeks. Seven miners had been dismissed by the manager of the Blackball Company, whereupon all the colliers, 120 in number, went on strike on February 27. The men asserted that the miners dismissed were being victimized because they were active unionists and socialists. The Company was willing to compromise and offered to reinstate the men, but the miners refused to return to work unless some arrangement were made to prevent a similar occurrence in the future, and suggested that when men were to be dismissed they should be selected by ballot. They also demanded thirty minutes' lunch time and a strict enforcement of the "bank to bank" principle, according to which the miners were to be underground only eight hours from bank to bank, that is, from surface to surface.

The Department of Labor attempted to effect a settlement of the trouble, but without success, whereupon the union was cited before the Arbitration Court and a fine of £75 was imposed. The strike continued and the union went so far as to refuse to pay the fine, alleging that it had no funds. In this position the union was generally condemned by public opinion, but supported by a number of unions by resolutions of sympathy and gifts of money. Finally, the Arbitration Court decided to proceed against the men individually for their share of the fine. The whole of the fine, together with the costs of collection, amounting to over £147, was recovered by means of attachment orders under the Wages Attachment Act of 1895. According to a recent decision of the Court of Appeals, the men could have been imprisoned, if they had refused to pay, for a maximum term of one year, but it was not necessary to do this and public opinion was not in favor of imprisonment for the offence. The strike was ended about the middle of May, when the Company conceded practically everything that the men had demanded.


On May 21, 1908, a second strike of motormen and conductors occurred at Auckland and lasted until
Monday, May 25. The cause of the trouble was similar to that of the strike of November, 1906. Mr. Edward Tregear, the Secretary for Labor, and Mr. A. M. Myers, the Mayor of Auckland, succeeded in inducing the parties to refer all the questions to a special board of conciliation under Sections 51 and 52 of the Compilation Act, 1905. This is the only case in which these sections have been applied to the settlement of a dispute. The finding was delivered on July 25, and was largely favorable to the employees. Action was taken by the Department against the Union for bringing about a strike, and a fine of £60 was imposed, which was paid within twenty-five days.


Later in the year, when the amendment act was passed, it provided for Councils of Conciliation similar to the special board used to settle this dispute. A strike of bakers began in Wellington on June 29, 1908, shortly after the Court had made an award granting an increase of wages, but not so great as had been desired. Altho the strike lasted seventy-six days, it was a complete fiasco, causing no shortage of bread, and the bakers were glad to return to work on the terms of the award. The penalty in this case was £100, which was paid within one week, as directed. Action was taken against four others for aiding and abetting the strike. The Court ruled that the provisions of the act did not cover such cases, and held "that the strike was complete on the day that the strike took place, and that it was impossible for the respondents to be guilty of the said offences by anything which they did after the date the strike took place."


This defect in the law was remedied by the Amendment Act of 1908, which provided penalties for aiding and abetting an unlawful strike or lock-out, and made a strike a continuing offence.

On September 16, 1908, the Hon. J. A. Millar, the Minister of Labor, presented to the House a complete list of the strikes which had occurred since November 14, 1906. He said: "The total number of strikes is 23, and the total number of strikers 1117. The men rendered idle were 2389; the duration of strikes was 316 days; and the loss of wages to workmen amounted to £17,667. The approximate loss to employers was £15,688. This will give honorable members a fair idea of what the strikes cost the country; and this is, after all, upon a very small scale, as will be seen."


Trouble in the mining industry arose again because of the new Workers' Compensation Act of 1908, which was to go in force on January 1, 1909. The act provided for employers' liability, not only in case of accident, as formerly, but for some diseases characteristic of certain industries, including pneumoconiosis, or miners' consumption.

Evening Post, Wellington, December 30, 1908.

In order to protect themselves and the employers against the additional risk, the insurance companies required that the workmen concerned undergo a medical examination to show that they had not already contracted pneumoconiosis or any other of the diseases mentioned in the act. This the miners refused to do, with the result that most of the coal mines in the Inangahua district were closed pending a settlement of the difficulty. The trouble was neither a strike nor a lock-out, but a deadlock, due to a very peculiar situation created by the act. Altho a number of gold miners had submitted to examination, the Waihi Miners' and Workers' Union, representing about 1700 men, on January 7 passed the following resolution: "That this union pledges itself not to submit to a medical test. That we endorse the action of those who refused to submit to a test, and are prepared to come out in a body in their support should they not be reinstated by next Monday."

Evening Post, Wellington, January 8, 1909.

The situation was very grave. The State Insurance Department had very properly refused to assume the extra risk without medical examination, and the government had stood by them, but on hearing of the action of the Waihi union, the government made a complete change of front, authorized the Insurance Department to issue policies without examination, and agreed to indemnify the Department against loss, pending further legislation.

The Evening Post, January 9, 1909.

This extraordinary concession was received with astonishment by the public, especially by employers and insurance men, but it prevented a serious strike, and the trouble about pneumoconiosis was ultimately settled by the employers' agreeing to take their own risks against the disease or accept the Insurance Department's offer to insure their workers at an increased rate without medical examination.

Annual Report of the Canterbury Employers' Association 1909, p. 11

The whole affair illustrates the difficulty of applying business principles to an enterprise carried on by a democratic government.

The pneumoconiosis deadlock resulted in a strike of the coal miners at Huntly, who wished to have four so-called "blacklegs" degraded for having submitted to a medical examination, but the miners were clearly in the wrong, accepted a compromise proposed by the Company, and went back to work on January 27.
A trifling strike occurred on January 15, 1909, when seventeen fell-mongers employed by the Hawkes Bay Freezing Company at Daki Daki discontinued work for one hour because the Company would not allow them ten minutes, morning and afternoon, for a "smoke-oh," which was not provided for in the award. The men's demand was granted, but the Department took action against the men individually before Mr. S. E. McCarthy, a stipendiary magistrate, who inflicted penalties of £1 each against the respondents.


From this time until November, 1909, there were practically no strikes. Possibly this was due to the industrial depression, possibly to the desire of the workers to give the Amendment Act of 1908 a fair trial, although they did not expect much benefit from it. In November, trouble arose in the State colliery at Point Elizabeth, near Greymouth. The men wanted the Department to do the trucking, and the Department desired to make a reduction in the hewing rate to compensate it for the extra expense of trucking. The manager and the union could not come to terms, the union's executive called a strike on November 23, and all the miners, over 400 in number, quit work. It was an odd coincidence that the strike occurred soon after the beginning of a great strike of coal miners at Newcastle in New South Wales, when some people were demanding the nationalization of the collieries as the best way of preventing strikes. On this point, The Press, of Christchurch, an opposition paper, said: "Governments, especially as we know them in New Zealand, are, indeed, much more squeezable by labor agitators than are private employers, and in this fact lies much of the danger to the taxpayer of State incursions into the domain of private enterprise."

Another interesting fact is that the miners were encouraged in their demands by the statements of the Department that the State collieries were earning large profits, although some financial critics deny that any such profits were earned.

The Star, Christchurch, November 24, 1909.

One of the miners is reported as saying: "We are not going to sweat ourselves to pay fat salaries to Sir Joseph Ward and the big bugs. The profits of the State mine should go to the men who dig the coal."

The Evening Post, November 27, 1909.

After much discussion, the Government, being convinced that the miners had substantial grievances, receded from the position previously taken, and the miners' representatives received the assurance that the Minister of Mines, the Hon. Roderick McKenzie, would visit Point Elizabeth after the session of Parliament and would give the men conditions not less favorable than those obtaining in other mines. The miners resumed work on Monday, December 13, with the feeling that they had won a great victory. According to agreement, Mr. McKenzie paid a visit to the West Coast and effected a compromise on January 5, 1910. The miners were not prosecuted for striking, for they were no longer under the jurisdiction of the Arbitration Court, since they had allowed their registration to be cancelled by the Department of Labor for failing to send in the annual returns required by law.

On the day after this settlement was effected, the Wellington Slaughtermen's Union sent a notice to the Gear Company and the Wellington Meat Export Company that they would go on strike in 14 days if their employers would not grant them a rate of 25s. a hundred for all sheep and lambs not otherwise specified, besides other concessions. The agreement entered into after the strike of 1907 had expired on June 10, 1909, after which it continued in force while negotiations for a new agreement were pending. The employers, wishing to have the dispute heard by the Conciliation Commissioner, Mr. P. Hally, according to the new law, drew up a statement and appointed assessors. But the union neglected to appoint assessors, preferring to settle directly with the employers. On January 14 and 15, a conference was held at which Mr. Hally presided, who, not officially as Commissioner. The conference arrived at terms of peace, by which the slaughtermen obtained practically all that they had demanded. The agreement was to go to the Arbitration Court to be constituted an award for three years.

Evening Post, January 15, 1910.

The strikes of 1907 and 1908 caused a widespread opinion among employers and the general public that the act should be amended, chiefly for the sake of preventing strikes. The laborers, as a class, were not enthusiastic about the matter, since the proposed amendments were designed to compel them to obey the law rather than to bring them any additional benefits. A bill was brought in by the Minister of Labor in the session of 1907, but received little attention. In the session of 1908 the Minister again brought forward a bill, which was actively debated. Finally, the Industrial Conciliation and Arbitration Amendment Act, 1908, was passed, and went into effect on January 1, 1909. The following is a brief summary of the leading provisions of the new law.

Summary of the Industrial Conciliation and Arbitration Amendment Act, 1908, by Henry Broadhead.

It gives elaborate definitions of the terms "strike" and "lock-out," stress being laid in both cases on the "intention" of the workers or employers in causing a strike or a lock-out.

The terms "unlawful strike" or "unlawful lockout" mean a strike or a lock-out by parties bound by an award or industrial agreement in the industry affected. For example, the strike of the miners in the State colliery in...
the week; but when we pass an act giving them advantages they could not otherwise get—giving them voluntarily surrender their rights, let them register under the Trades Unions Act and go on strike every day in
cancelled their registration.
employers' unions, had their registration cancelled for the same neglect, while two other unions formally
punished for striking. During the year ending March 31, 1909, sixteen workers' unions, and a like number of
returns. It has already been noted that this was done by the Point Elizabeth miners, who, therefore, could not be
cancel their registration or allow it to be cancelled by the Department for neglecting to send in their annual
merits of the dispute. In this respect, the new law resembles the Lemieux Act of Canada, which is a system of
amicable settlement of a dispute by mutual agreement and as a public announcement by the Council as to the
is required to make a recommendation, which has no binding force, but operates merely as a suggestion for the
merits of the dispute. In this respect, the new law resembles the Lemieux Act of Canada, which is a system of
investigation and conciliation. However, an agreement, when filed, has all the force of an award, and, if the
Council fails to effect a settlement, the dispute is automatically referred to the Arbitration Court.
The Amendment Act of 1908 is thus a modification of the former system in the direction of voluntary
conciliation. Mr. Millar said in the House: "The main principle of the Bill is to let us go back to conciliation as
far as possible."
At another time he said: "In my opinion there are times when the compulsory element requires to be used. I
desire to keep the Arbitration Court quite in the background, like a spectre that may be brought forward and
made substantial if required."
Thus, the new law is in accordance with the views of Mr. Reeves, the author of the act of 1894, who
believed that most disputes could be settled by conciliation, and favored arbitration only as a last resort.
However, the amendment act still provides for compulsory, and not voluntary conciliation, and there is reason
to think that compulsory conciliation is not conciliation at all, but compulsory arbitration under another name,
and is, in the last analysis, governmental regulation of wages and all other conditions of labor.
But there is a way by which the workers may altogether evade the arbitration law and strike as much as
they please without rendering themselves liable to penalties. After the expiration of an award, they have only to
cancel their registration or allow it to be cancelled by the Department for neglecting to send in their annual
returns. It has already been noted that this was done by the Point Elizabeth miners, who, therefore, could not be
punished for striking. During the year ending March 31, 1909, sixteen workers' unions, and a like number of
employers' unions, had their registration cancelled for the same neglect, while two other unions formally
cancelled their registration.
In the words of Mr. Millar: "The right to strike has not been denied by the House. If the men do not like to
voluntarily surrender their rights, let them register under the Trades Unions Act and go on strike every day in
the week; but when we pass an act giving them advantages they could not otherwise get—giving them
permanency of employment and regulating wages and so preventing sweating—I think it is not too much to ask that they should voluntarily carry out their agreement and not strike."


There are some weak features in the new act, as there must be in any attempt to deal with so difficult a subject, but hitherto it seems to have had a fair degree of success.

A series of ten articles in the Evening Post, Wellington, September 17 to October 5, 1908.

Mr. F. W. Hobbs, president of the Canterbury Employers' Association, says: "The new system has not had a long enough trial to warrant any definite opinion being expressed as to whether the expectations formed of it will be realized. Undoubtedly, a large majority of the disputes which have come before the Councils have been settled, either wholly or in part, and thus the work of the Arbitration Court has been considerably lessened. The operation of the act will be closely watched, as it is generally recognized that its failure will bring the end to compulsory arbitration as a means of settling our industrial disputes."


Undoubtedly, most of the people of New Zealand earnestly desire that the act may prove successful, and the employers, as a class, notwithstanding their frequent criticisms and their dislike of regulation, would rather have arbitration than strikes, provided that the Court is reasonable in its decisions, as it has been in the past, and does not put upon them a greater burden than they can bear. The employers will not move for the repeal of the act, but will throw the responsibility for its success or failure wholly upon the shoulders of the workers.

The workers' position is embarrassing. The original act was passed for their benefit as well as to prevent strikes, but when it could no longer be used as a machine for raising wages they were the first to rebel against it. Doubtless, a large proportion, if not a majority, of union laborers have been much dissatisfied with the act, and yet most of them are disposed to give the amendment act a fair trial. The more radical among the workers, many of whom are socialists of the type of Tom Mann, regard the Arbitration Court as an instrument of capitalism in keeping the working class in subjection, would abolish the act, and inaugurate a period of industrial warfare as a prelude to the social revolution.

But the more conservative among the workers wish to do all they can to preserve industrial peace. The Hon. J. T. Paul, one of the most capable of the labor leaders, said in the Council: "I have no hesitation whatever in saying that I am totally opposed to the strike, that I see absolutely no good in it, and I oppose it for one reason, that it is against the interests of those whose welfare I have most deeply at heart, and against the interests of the general community. Strikes cannot be supported, because they do not help the worker." In the same debate Mr. Paul quoted with approval the words of Mr. Pritchard, who was a prominent and almost violent supporter of the Blackball miners in the strike of 1908, who said: "There is a tendency among a few trade union leaders to influence the members of their organizations to cancel the unions' registration under the act and I wish as a unionist to protest emphatically against such action on their part. I want to see the best possible method of obtaining as much as possible of the product of labor for the laborer, and, to my mind, the best system so far discovered is that of compulsory arbitration."


The workers are probably in error in thinking that the wages of all classes of labor can be raised much above the market value by means of unions and strikes, by the awards of a court, or by any means other than increasing the efficiency and limiting the supply of labor. It would probably be the best policy for the working class to accept rates of wages based on the market value of labor, to encourage the highest possible efficiency, and to increase the provision already made against accident, sickness, and old-age, by means of insurance supported by taxation of the incomes of the rich.

But in particular cases, as has been shown by the success of most of the recent strikes, organized labor can frequently force concessions which the Arbitration Court would not grant, and which, if given to all of the working class, the industries of the Dominion could not stand. The unionized workers, then, numbering about 50,000, out of about 420,000 breadwinners, have interests somewhat opposed to those of the non-union workers as well as to the interests of the employers and many other people. If, therefore, the unions adopt the policy of cancelling their registration, and try to force concessions from their employers by means of strikes, they will lose the advantages enjoyed under the act, and, what will be far more serious, they will lose the sympathy of the general public, by whose assistance they have obtained the most advanced labor legislation in the world.

The future of compulsory arbitration will depend upon the attitude of the workers. They could have the act repealed at any time, but they are not likely to do that. If they find that they gain nothing by compulsory arbitration, they will simply allow their registration to be cancelled, after which they may strike or not as they see fit, and the act will become a dead letter. Another and more consistent course which they might adopt would be to stand by the act and take a more active part in politics with the hope of being able to control the appointment of the Judge of the Arbitration Court, through whom they might obtain concessions impossible to secure under the present political conditions. This, however, has the appearance of a forlorn hope, for even if an
independent labor party could step into power, as in Australia, they could not do much more for labor than has been done by the Liberal Party, without serious damage to the industries of the Dominion and serious injury to themselves.

Dr. Findlay sums up the subject thus: "It should be the aim of every country to prevent strikes, not by severe pains and penalties, but by providing, if it be possible, such conditions of labor, and such a fair, prompt, and competent tribunal as will secure to the workers all they can ever reasonably hope to attain by a resort to the blind force of a strike."

Labor and the Arbitration Act, p. 16.

At present, the workers do not expect to gain much by appealing to the Arbitration Court, but to keep them loyal to the government and the Court they perhaps require not pains and penalties, but additional inducements of some sort. Possibly the system of arbitration could be brought into some relation to the system of insurance and pensions, so that workers peacefully disposed might receive benefits not granted to those who prefer to appeal to force regardless of the welfare of their fellow-citizens. However that may be, it is to be hoped that the interests of all concerned will be secured by methods of peace, and that there will be a successful outcome to the magnificent experiment of compulsory arbitration.

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DUNEDIN, NEW ZEALAND.

Industrial Arbitration in New Zealand Is it a success?
By J. MacGregor, M.A.,
Barrister-at-Law.
"A sophism is more dangerous to a community than a crime."
–M. Proal.
(Reprinted from the Otago Daily Times.)
vignette DUNEDIN: The Otago Daily Times and Witness Newspapers Company, Ltd. MCMI.

Prefatory Note.

New Zealand has come to be regarded as a sort of laboratory for political and social experiments, and her people are inclined to be rather proud of the rôle, and are optimistic enough to believe that their experiments have issued successfully. Of such experiments, what is known as our system of Compulsory Conciliation and Arbitration in Industrial Disputes, is one of the most interesting, and in the following pages the writer has candidly answered the question appearing on the title page. It is with regret he finds himself constrained to answer in the negative, because, as a member of the Upper House, he helped the author of the measure, the Hon. W. P Reeves, to get it placed upon the Statute Book. Having closely observed and studied the working of the system during the six years it has been in operation he claims to be in a better position to answer the question than Mr. Reeves can possibly be, inasmuch as he has been absent from the Colony during nearly the whole of that period. The writer finds himself driven by candour to admit that the system is not in any sense what it purport, and was intended to be—a means of settling industrial disputes and strikes by conciliation and arbitration—but is rather a system for the regulation of the industries of the Colony by means of ordinances (misnamed "awards") issued by a court of law. It is impossible for Mr. Reeves to contend that the system has been a success for the purpose for which he intended it, and the writer is convinced that Mr. Beeves is incapable of having resort to the subterfuge of arguing, as some people have done, that it has served its purpose of preventing strikes but in a different way from that intended subjecting all industries to regulation by a court; and it is as such it must be justified by anyone who advocates its adoption by other countries. It may be necessary to remind such foolish people that a laboratory experiment is not a sufficient test, and that ad poenitendum properat, cito qui judical.

It may be mentioned that since the first publication of the papers in the "Otago Daily Times," an Act has been passed which practically repeals the conciliation provisions of the Act; this has been done in spite of the opposition of the Trades Union Government. Mr. Reeves, as an honorable man, should either admit that the system has failed or disown it; only the skeleton remains and the skeleton is not the man.
Industrial Arbitration in New Zealand.

By J. MacGregor.

No. I.

Let no man who begins an innovation in a State expect that he shall stop it at his pleasure, or regulate it according to his intention.

Of all the labour lows of New Zealand the Industrial Conciliation and Arbitration Act has attracted most attention beyond the colony and that mainly on account of the generally recognised difficulty of the problem dealt with, and the novelty and boldness of the attempt at a solution. Visitors from Britain, the United States, France, and the other colonies have inquired into the working of this and our other labour laws; numerous articles upon the subject have appeared in the newspapers and industrial nines. A well-known writer on industrial and social subjects, Mr Henry Demarest Lloyd, of Chicago, after spending some months in New Zealand published a book with the title "A Land Without Strikes," eulogising our system; and now we have the report of a Royal Commission sent from New South Wales for the express purpose of reporting upon the subject for the guidance of the Government and people of that colony. One thing that must strike such visitors is the fact that we in New Zealand have so soon come to regard ns mere matters of course experiments which to them appear so novel and historic on this and other subjects-such, for example, as that of woman suffrage. The Arbitration Act has boon in operation now for six years, and it is indeed truly remarkable how little attention has been paid by the people of the colony generally, and especially by employers, to the question of the probable ultimate effects of legislation so novel and far-reaching. What little discussion has taken place has been until quite recently somewhat optimistic in tone and the explanation probably is that during the whole period the colony has been in the enjoyment of a gradually increasing prosperity: employers and workers have been in the position of a healthy man of good digestion and with plenty to eat, who is unconscious of having digestive organs, and has no eon to observe, still less to study the processes going on. Thus it happens' that up till now the opinion of employers upon the working of the system has been of so little value, and it is impossible to imagine an experiment being tried under circumstances more favourable; everybody wished it to have a successful issue. Three years ago the writer ventured to question whether the system was serving the purpose for which it was intended, but his voice was like that of one crying in the wilderness; now, however, when symptoms of waning prosperity are beginning to appear, and our Premier admits that the state of our public finance is causing him much anxiety, our general tone is not quite so optimistic, and now at length the question is being seriously discussed whether our much-vaunted system may not do more harm than good. Hitherto our ne-papers-with, I think, only one important exception, the (Auckland) New Zealand Herald-have been friendly in their attitude towards the system: but now there are signs of a change. The employers have been too busy to pay much attention to the proceedings of the Conciliation Boards and Arbitration Court, or to form combinations to resist the multitudinous demands of the workers; they have, indeed, shown a remarkable lack of foresight and regard for their common interests, which they will probably have cause to regret. Another thing that renders the opinion of the employers almost valueless is that they are so completely at the mercy of the unions; they are afraid to say a word against the system, whilst many of them who enjoy Government patronage are afraid of giving offence in that quarter, for real liberty decreases as Liberalism increases. Whilst the employers have been content to shut their eyes to the future—content with making hay while the sun shines—the workers have been forming unions and working the machinery of the act at full speed for the purpose of raising wages, reducing hours: and generally making the utmost of their opportunities. There are at last some signs that the employers are beginning to see what the tyranny of trade unionism means, and to realise the necessity for laying aside their petty jealousies and making common cause against it.

To the question at the head of this article—Has compulsory arbitration been a success?—the answers will, of course, vary a good deal; but it would probably be correct to say that, till quite recently, few thought of raising the question. Of course the Liberals and the Liberal Government declare that not only has the law been a success, but that it has largely contributed to the prosperity of the country; and there is no doubt that working people generally but especially the unionists, are so satisfied of this that they regard as their enemy any man who dares to so much as question it. Another thing that renders the opinion of the employers almost valueless is that they are so completely at the mercy of the unions; they are afraid to say a word against the system, whilst many of them who enjoy Government patronage are afraid of giving offence in that quarter, for real liberty decreases as Liberalism increases. Whilst the employers have been content to shut their eyes to the future—content with making hay while the sun shines—the workers have been forming unions and working the machinery of the act at full speed for the purpose of raising wages, reducing hours: and generally making the utmost of their opportunities. There are at last some signs that the employers are beginning to see what the tyranny of trade unionism means, and to realise the necessity for laying aside their petty jealousies and making common cause against it.
engineering trade in 1898, the result would have been irreparable injury to all concerned.

Proceeding, then, to endeavour to arrive at an answer to the question whether the act has been a success, we have first to recall to mind the object in view, and the circumstances under which the act was passed. It must be remembered, then, that the act was the direct outcome of the great maritime strike of 1690, which, so far as concerned New Zealand, was a purely "sympathetic" strike, and was really the only strike of any magnitude we have ever had. Defeated in the strike, the workers rushed to the poll at the general election which took place at the end of the year, and resulted in a great victory for the Liberal party under Mr Ballance. The Labour party, having identified itself with the Liberal cause, set itself to use to the utmost the powers of the Legislature for the attainment of their ends, and the passing of the act in 1894 was one of its great triumphs.

Obviously, then, the object of the Legislature in passing the act and of Mr Reeves in drafting and introducing it was to provide means by which strikes and lock-outs and disputes likely to result in such might be prevented or settled.

In order to see how completely the measure has been diverted from its real purposes we have only to refer to Mr Reeves's speeches in Hansard. In volume 77, at page 30, we read:—"This House is only asked by public opinion to legislate to prevent that of labour disputes which cause loss or danger to the community—loss to those concerned and danger insomuch as they may arrest the processes of industry." One wonders what he would have said if anyone had suggested that, instead of being brought into requisition in such disputes as he describes, the act would be plied daily for the purpose of creating disputes? And his answer may be inferred from the reasons he gave for preventing individual workmen from invoking the powers of the act. "I determined to confine its operation to dispute between masters and trade unions. . . . I was induced to take that course for several reasons, one of which is this: that, if you allow one workman or two or three unorganised workmen to drag an employer before the Board of Conciliation, not only would that be grossly unfair to the employer, but it would soon make a lauging stock of the whole system. It would make the measure so extremely unpopular that a succeeding Parliament would probably sweep it away." We have reason to suppose that Mr Reeves thinks his pet measure is being made a laughing stock in spite of his precautions, for in the Legislative Council in 1898 one of the representative of Labour in that Chamber read from a letter a passage in which Mr Reeves expressed the fear that the act was even then in danger of being ridden to death. But the pace at that time was a mere center compared with the galloping pace at which it is being driven now. Is it credible that he would have secured the passing of such a measure had he foreseen that, instead of being used for the settlement of strikes, or disputes likely to lead to strikes, it was destined to be perverted into a means of getting up disputes and of creating unions for no other purpose than that of creating disputes and haling employer—almost every employer in the colony—before the Court of Arbitration? "If this measure fails it will be because it will be ineffectual, and not because it will do any active harm. If it fail, its failure will probably be because it provisions are not taken advantage of . . . I can honestly say that the measure is not introduced as a one-sided or class measure. I hope that it may be so administered and so worked that the employers in days to come will welcome it as their best friend"! Unquestionably the employers would have welcomed the system if it had administered as its author and as the Legislature expected and intended, and they would welcome it still more now after their experience of it as an engine of warfare rather than as a messenger of peace and goodwill.

If anything further were required to show how completely the system has been perverted we find it in Mr Reeves's references to the Massachusetts system: "I cannot help thinking after devoting many hours to the study of this subject that the ideal board is one consisting of three persons appointed by the State, paid an annual salary, and able to go to any part of New Zealand where a dispute arises—a board which should have the power to transform itself into a judicial tribunal, able to compel parties to come before it and make its decisions legally binding. But I do not think public opinion is ripe for that yet. I think objection would be raised to pay three permanent officers suitable salaries." This passage shows quite clearly that our Court of Arbitration was intended to discharge the same function as the Massachusetts Board—namely, to settle strikes and lock-outs and such disputes as inevitably arise in the ordinary course of industry. Instead of this we have a court of law constantly moving about from end to end of the colony, like a Court of Assize, to adjudicate upon a long list of cases that have been got up by the unions and hurried through before the Conciliation Boards in order to be ready for trial by the court. Instead of one strike or dispute at a time, the court has long lists of cases awaiting for it at every centre, and it cannot overtake the work.

To complete the proof of this part of my thesis it only remains to mention the fact that Mr Reeves's act contemplated the imposition of only one fine, and that of a maximum sum of £500, under one award, the idea being that an employer locking out his men or a union persisting in a strike in defiance of an award could be brought to reason by the imposition of such a penalty. Instead of this we have a court that undertakes to regulate all the industries and most of the other businesses of the country down to the minutest details, simply because a union of perhaps only seven men, or even seven girls, has got up a "dispute" with the employers, and cited them before the court to have all the details of their business which the union has thought proper to mention
adjudicated upon by the court! And thus it has come about that this statutory court, which has enormous powers against which there is no appeal, is seen perambulating the country like a peripatetic police court, infliction fines of a few shillings upon some employer who has dared to give a job to a starving youth who has the misfortune to be a non-unionist!

At this point, then, our answer to the question, Has the system been a success? must be this: that as a scheme for the settlement of industrial disputes in the ordinary sense it has never been tried; and the ordinary argument in its favour—that it has saved the country from strikes—reminds one of the saying about the number of lives saved by pins—by people not swallowing them. The reply will probably be that it has made strikes impossible by reason of the fact that all industries are regulated by the decrees of the court. So be it but let; the system be judged as one used for that purpose and not for the purpose for which it was intended. The man who wrote "A Land without Strikes" shows by the very title of his book that he failed to realize the real nature and operation of the system. The same remark applies to Sir W. J. Lyne, Edmund Barton and the other Australian politicians (not statesmen), who propose to introduce the system in Australia on the ground that it has been such a success in New Zealand as a means of preventing strikes. Mr Reeves said in Parliament "that it would take year before the public can say whether or not they consider it a good and useful measure-experience alone will show that"; obviously because he thought the compulsory clauses might not be invoked for years, inasmuch as they were not to be used except as a last resort for the settlement of some strike, lock-out, or dispute likely to "cause loss or danger to the community." For such a purpose the act has never been tried, and yet responsible Ministers of the Crown are ready to apply it to the whole of Australia on the strength of our experience, and a sentimental English bishop and that prince cranks and faddists, W. T. Stead, are ready to run the risk of applying it to the enormous industries of Great Britain!

If there is any lesson to be learnt by other countries from the experience of New Zealand it is: that, if they want a system of arbitration for the settlement of strikes and real disputes rather than one for the creation and multiplication of factitious disputes, they should adopt some such system as that of Massachusetts.

So far, then, our answer to our question is that the system cannot be said to have been a success, inasmuch as it baa never been tried for the purpose for which it was intended; whether it; can be pronounced a succees as a system for the regulation of all the conditions of all industries, trade, and occupations is quite another matter, which we propose to consider later on.

No. II.

Conciliation a Failure.

In the meantime, let us consider it as a means of promoting conciliation. As we have already seen, the author of the system was utterly mistaken as to the propose for which it would be used, and I propose to show now that he was equally mistaken as to the method in which it would be used. In moving the second reading (in 1894) Mr Reeves said: "I do not think the Arbitration Court will be very often called into requisition; on the contrary, I think that in 99 cases in 100 in which labour disputes arise they will be settled by the Conciliation Boards; but unless you have in the background an Arbitration Court the Conciliation Boards will not be respected, and they will be virtually useless." If he had been asked how long it would take for a, hundred cases to arise he would probably have said nearly as many years; at any rate, there can be little doubt that, if he could have foreseen that within six years of the act coming into actual operation such a multitude of "disputes" had "arisen" (or rather been manufactured under it), he would have run away from it as from a dangerous monster. This is the outcome of a measure intended by its author to promote conciliation and goodwill between employers and employed, and still people can ask whether it has been a succes! One member of the Upper House who opposed the bill spoke as follows: "Talking about reconciling the employer and employed in the way proposed by this bill reminds me about the little rhyme about the young lady from Riga:

There was a young lady from Riga,
Who went for a ride on a tiger:
They returned from that ride
With the lady inside,
And a smile on the face of the tiger.

There can be no doubt as to which of these members had the clearest conception of the probable outcome of the measure—the tiger has indeed lain down with the lamb-inside and the smile on his face is very broad.
Three years ago the present writer contended that as a means of promoting conciliation the system had failed, and that the Boards of Conciliation should be abolished; and within the last few days the Premier has practically admitted this, although, instead of blaming the unionists, he blames the boards.

Reverting to our question, then, we can have no hesitation about saying that as a means of promoting the settlement of labour dispute by conciliation, this scheme, so far from being a success, has been an almost complete failure. The position, then, is this: that the measure intended to serve the same purpose as the Massachusetts system—namely., the settlement or prevention of strikes and lock-outs and disputes likely to result in such—has completely missed its object. If it can be said to be a success, it must be in some quite different way from that intended. Now, we know there has been a general disposition in the community to take for granted that the system was a success; employers thought of nothing beyond being left in peace to make the belt of the good times while they lasted, and they were ready to concede almost any demands of their men, believing that they could reimburse themselves by raising prices. Thus it was that so many of them were inclined at first to regard the system with a certain amount of favour. As a class, they have shown singularly little provision, and an almost total disregard for their common interests. In the past, the leading characteristic of the average New Zealand employees, was fairness towards his employees, and for some time after the new system came into operation this continued; but it is now giving way to a tendency to hold aloof and to concede nothing more than the law compels; whilst, as between employers and employees, there has been almost a total absence of that spirit of combination for common defence which saved the English engineering trade in 1898. But now at length there are indications that they are beginning to realize the necessity for combination for the common defence against the tyrannical exactions of the unions, and the tendency of the Conciliation Boards and the Arbitration Court to act upon the principle of giving the unions every time some of their demands, instead of being guided by principle. The truth is that the whole idea of conciliation and the existence of so-called Conciliation Board is an absurd incongruity in a system applied not for the settlement of real disputes, but for the regulation of all industries on President the the unions. When the President of the Court said, shortly after his appointment, that the boards should be retained because they bring the employers and employees together for friendly discussion, he cannot have realized what the boards have become—namely, courts of first instance, where the employers as a rule do not meet their employees, except, perhaps, as witnesses called by the labour advocates, who are not even appointed by the employees, but by the Trades and Labour Council There can be no such thing as conciliation in the proper sense where there is no real dispute between employers and employed, but merely a long list of demands formulated by the union and the council Even in those cases that have not gone beyond the Conciliation Board there has been no concilia- tion in the ordinary sense. The employers have as a rule yielded to the demands where they could see their way to pass on the burden to the broad back of the public and they have shown no determination to fight for important questions of principle such as the iniquitous demand for preference to unionist. There has been too much concession and compromise, but very little conciliation; whilst on the part of the unions there has been very little of either: they have no doubt in some cases accepted less than their lull demands so long as they secured a minimum wage and preference; but it has been with the full determination to renew the fight on the expiration of the period of the armistice. Of the true spirit of conciliation they have shown none. Concessions made by the employers the unionists have treated as the Boers treated the concessions made by the British—as signs of weakness.

Our conclusions, then, so far are that, as a scheme intended for the substitution of conciliation and arbitration for strikes and lock-outa in real industrial disputes, the system tem has never been tried, and therefore to speak of it as either a success or a failure is a misuse of terms, and that as a scheme for the promotion of conciliation it is a failure. I am convinced that no one who has followed the reasoning with competent knowledge of the nature and working of the system can fail to admit the correctness of these conclusions; but it must be observed that I do not say the net has been a failure. What I do say is that, if it is success, it is not as that which it was intended to be, but as something quite different. It follows that those who describe the system as a success by reason of its securing to us immunity from strikes are either wilfully or ignorantly misrepresenting the facts. The very title of the book, "A Land Without Strikes," is misrepresentation, inasmuch as it implies that the system has been completely effectual in the settlement of disputes which would otherwise have resulted in strikes, whilst the fact is that no one can say it has ever been invoked in such a case. When the then Premier of New South Wales, Sir W. J. Lyne, met a deputation opposing the introduction of the system into that colony with what he apparently considered the conclusive answer that in New Zealand the system bad been satisfactory, because "it had put a stop to strikes," he was simply showing how utterly ignorant he was of the subject.

III.

Let us now proceed to consider the actual working of the system, and whether it can be described as a
success. Although it is incorrect to say that "it has put a stop to strikes, the fact remains that during the period
the act has been in operation New Zealand has been a "land without strikes," I am prepared to go the length of
admitting that the probabilities are that but for the existence of the act we should have had one or more strikes.
Is it then correct after all to say that the act has prevented strikes? Have we simply been splitting straws all the
time? By no means the act was in to be applied, like the Massachusetts system, for the prevention of strikes in
the sense of providing the means of settling disputes resulting in or likely to result in strikes or look-outs. If the
system has prevented strikes it has done so by reason of its being worked not as a method of settling disputes
arising in the ordinary course, but as a method of enabling unions to get up factitious "disputes" for the express
purpose of having them adjudicated upon by a court of law. Herein lies the—whole crux of the question. This is
one way of "preventing" strikes, but it is not the way contemplated by the author of the measure nor by the
Parliament that enacted it. Still, the question is whether it has been successful, and we should have had no fault
to find with those who declare that it has been successful had they not used terms implying that the system had
been used, and successfully used, in the settlement of disputes in the ordinary sense. That it has been successful
as a system for getting up "disputes" for the express purpose of having them adjudicated upon there is no doubt;
but the real question is whether a system which "beneficia strikes" in the way is necessarily beneficial. We have
now succeeded in making clear the absurdity of describing as a method of preventing strikes a system used for
an entirely different purpose—namely, the regulation of all the details of trade and industry by the decrees of a
statutory court of law made under the pretence of settling disputes-disputes got up for the express purpose of
being submitted to the court, and which in all probability would never have been thought of but for the fact that
the existence of the court prompted them.

What we have to inquire about, then, is the success or failure of a scheme, not for preventing strikes, but for
the control and regulation of the trade and industries of the country with the object of making strikes
impossible—two very different things; and the real question is whether immunity from strikes is a matter of such
transcendent importance as to make it worth our while placing the regulation of our industries under the control
of a court of Jaw. That is the real question, and books like "A Land Without Strikes" must be re-written to be of
the least value. "Liberal" politicians for whom the history of the "wretched past" has no lessons, and socialistic
unionists who think they enjoy immunity for the laws of political economy since it was banished to Saturn, will
have no hesitation in saying, not only that immunity from strikes is worth the price, but that the regulation of
trade in that way is a good thing in itself; but I confess that to me there is a very strong presumption against the
permanent success of any such arrangement.

Let us see what it means in actual practice. During the period of less than six years that the act has been in
actual operation a multitude of disputes have been "faked up" under it, and there is scarcely an industry or trade
in the colony that is not subject to restrictions imposed by an award of the court at the instigation of the unions,
and in a sense at their dictation, inasmuch as they can call upon the court to adjudicate upon any question they
think proper to raise affecting any industry. There is scarcely an employer in the colony that is not subject to an
award of some kind, and many are subject to quite a number of awards at the same time; in the engineering
trade, for example, an engineer may be hedged round by seven different awards. The modus operandi is very
simple. A meeting of the union in any industry, from shipping or coal mining to hair-dressing or shirtmaking, is
held. A long list of demands is drawn up, and great ingenuity and resource is shown in formulating them so as
to cover the formulating details of the trade. This list of demands is sent to the employers in the trade, and in
case of any of them refusing of ignoring the demands, a "dispute" is held to have arisen within the meaning of
the act, and the machinery is put in motion for the "settlement" of the "dispute." As a rule many of the
employers, and those of the employed who do not belong to the union are not aware of the existence of the
"dispute" until they see some reference to it in a newspaper. In many instances the so-called trades union is as
purely factious as the "dispute," inasmuch as it is formed for the express purpose of getting up the dispute. And
so the formation of unions, the getting up of "disputes," and the settlement or the adjudication of them goes
merrily on. If the act was intended simply to provide the means of getting up disputes for the express purpose of
being adjudicated upon, regardless of ultimate consequences, then it must be pronounced a success; but I have
shown clearly that it was intended for quite a different purpose. It cannot be said to have failed (except in so far
as its object was the promotion of conciliation) inasmuch as it has never been tested for its proper purpose.
Neither has it been a success for that purpose, but it does not follow that it may not have been a success in a
different and perhaps better way. This is what we have now to consider.

The position, then, is this: that the people of New Zealand find in active, very active, of New Zealand find
in active, very active, operation amongst them a system which controls and regulates all the industries of The
country in a manner that neither the people nor the Legislature intended; that the system has been diverted from
its purpose in this way by the unionists, who from a comparatively small proportion of the population, and
furthermore by a comparatively small proportion of the unionist—namely, the agitators or wire-pullers amongst
them. As we shall see further on, the system has been thus perverted to serve the ends of one particular class,
the unionists. From their point of view and as a means of securing political support for their Government the scheme has been a decided success; but the real questions are: Has it been a success in the sense of being beneficial to the country as a whole? Is it likely to be, or is there any chance of its being a success in this sense?

If the system had been put to the test, say once in each of the six year it has been in force, for the purpose of settling strikes, we might by this time have been justified in forming an opinion as to its success. But since it has not once been put to the test, no man of competent knowledge, and having a due sense of responsibility, would commit himself to any opinion on subject. When one finds the Premier of a great colony—the mother colony—expressing himself thus in reference to it: "Whatever will prevent the repletion of strikes is an absolute success, and they have prevented strikes in New Zealand—from whatever cause they have done it," one can only exclaim with Oxenstierne, "with how little wisdom is the world governed?" If we have prevented strikes in New Zealand we have achieved this object, not in the way we intended, but by subjecting all our industries to regulation in every detail by a court: if Sir W. J. Lyne had been aware to such a statement? One can understand unionists of the Marxian school of socialism taking up such a position, but not a Minister of the Crown who makes pretensions to statesmanship. No man is justified in describing the system as a success either as a means of preventing strik or as a scheme of trade regulation. Mr Reeves said, "It will take year before the public can say whether or not they consider it a good and useful measure—experience alone will show that." We have had absolutely no experience of it in the way in which he intended it to be used; but if, say six years would have been necessary to test it as a means of setting strikes, how many years would be required to test it as a means of regulating all industries so as to make strikes impossible? Would any reasonable man say that a period of six years of steadily-increasing prosperity in trade is sufficient to test such a scheme? Unscrupulous politicians and union agitators and fanatics are prepared to go further, and say that our prosperity his been largely due to such legislation; but it were waste of time to reason with people of this kind. But the point I wish to emphasise is that no one, so far as I am aware, has undertaken to estimate the success or failure of the system as what it really is—a system for placing all employers of labour and all the details of our industries under the control and regulation of unions issuing their mandates through a court of law; if it has been successful in the prevention of strikes (the purpose for which it was intended) it has effected this by being applied to a purpose for which it was not intended; and those who, like Henry Demarest Lloyd and Sir W. J. Lyne, have pronounced it a success are bound to justify the system as one of complete regulation of industries. This they have not attempted to do, and so they stand convicted of ignorance—or what is worse, disigneuousness,—and their opinion is worse then valueless.

Objection will probably be taken to my describing the Court of Arbitration as a court of law for dictating to employers and regulating industries at the instigation and dictation of unions, but the terms are perfectly justifiable. In the first place, the court has unconsciously allowed itself to be diverted from the purpose for which it was intended by the Legislature—the settlement of real disputes and not mere factitious demands. This was done at the instance of the unions. The result is that a union that has been in existence only seven days, and probably consists of only seven youths or girls, can invoke the aid of the court for the purpose of enabling them to dictate terms to their employers, and to interfere in the carrying on of his business down to the minutest details. And the court has completed its own transformation by ordering employers to give a preference of employment to unionists! The system is in its very nature to a large extent one-sided, but the court has made it completely so. The result is that instead of a court for the settlement of strikes, we have the sorry spectacle of a Supreme Court judge perambulating the colony from end to end, inflicting paltry fines upon employers for offences which have no existence in the jurisprudence of any other civilized country—offences that have no existence apart from the award of the court that created them at the instance of trades unions. The act says there is to be no appeal from this modern Star Chamber and so far as the employer is concerned there is no appeal; but the unions have an appeal, in spite of the act, to the People's Government and the trades union Parliament, and they never appeal in vain to that quarter. If, for example, the court refuses the demand for a reduction of hours from 48 to 44 without reduction of wages a bill is brought in for that purpose, or if the court boggles about its jurisdiction to grant preference to unionists the question is straightway settled by statute. Surely never outside of Baratarea was such a court ever seen or imagined; and yet the court goes on its way, trying hard to look dignified as it hurls its mimic thunderbolts against some wicked master baker for the heinous offence of employing some hungry boy guilty of the offence of being a nonunionist: fined 5s, with costs! Employers had better take warning, for this court had the power of inflicting a fine up to £500 and the next offender may not get off so lightly!

IV.—"The Statute of Labourers Upside Down.

When one learns that nearly every industry in the colony has its award, one begins to see a strong resemblance between such awards and the "Statute of Labourers" of Tudor tyrant, and to wonder whether the
most progressive country in the world (in its own estimation) has gone to the fourteenth century for its notions of political economy. In New Zealand, methods essentially the same as those used in the fourteenth century by masters against men are now being used by workers against employers. In the fourteenth century, a Parliament of masters, because of the "insolence of the servants," who asked for higher wages than had been previously paid, "to the great detriment of the lords and commons." Ordained that no person should refuse to labour for the same wages they were accustomed to receive in the twentieth year of the King's regin (1347), and that even the lords of the manor, if they paid higher wages, were to be fined in treble damages. Also that the lord was to have the first claim to the labour of the serf, and those who refused to work for him or others at the fixed price were to be sent to the common jail. Now, however, the tables are turned (and not before it was time), and the Workers' (unionists') Court, created by a workers' Parliament, ordains that the employer is not to pay the workman less than a certain minimum wage, and that he is not to employ a nonunionist except in case of his not being able to find a unionist, and if he gives a job to a non-unionist because he is poor and hungry, or if he pays less than the minimum wage to a man who is glad to get it because he knows he is not worth the minimum wage, the employer is to be sent to the common jail. The resemblance is indeed remarkable, and I am inclined to think the older ordinance was the more rational of the two, considering that the one was made in the fourteenth and the other in the enlightened nineteenth century. The older ordinance, whilst ordering the worker to work for a certain fixed wage a day, attempted to secure for him cheap food by enacting that food must be sold at reasonable prices; but our modern ordinance (award), whilst commanding employers to pay not less than a minimum wage, makes no attempt to secure for them a fair price for their goods or to compel the worker to accept employment at the minimum wage. All things considered, it is hard to say whether the old English ordinance is not as rational as the boasted product of "Liberalism" and enlightenment in New Zealand, the most progressive country in the world, "the heir of all the ages, in the foremost files of time."

This wonderful ordinance of the English masters remained on the Statute Book over 200 years, and for some time the fines and forfeitures levied under it formed a large source of Royal revenue; but in spite of Kings and Parliaments, and pains and penalties—even to branding of the forehead with a red-hot iron—it became impossible to enforce the law, for wages kept rising in spite of all. The landowners complained that the law was entirely inoperative, and Parliament obediently made further enactments; and in 1363 an act was passed fixing the quantity, quality, and price of both food and clothes the labourers should have. Our New Zealand Parliament is quite as subservient to its masters, the unions, as ever an English Parliament was to the landowners, and nothing will be wanting on its part to enable them to have their own way with that "social pest," the employer, and the fines levied for breaches of awards might become a useful source of revenue which might be devoted to the endowment of unionism. Already we hear of a proposal to prevent by legislation the reduction of wages when the boom is over, the counterpart of the old enactments fixing the quantity, quality, and price of the labourers' dress and food. Is history going to repeat itself, and political economy to be brought back from Saturn—the community paying the expenses of the double journey?

In obedience to the demand of the unions, our act has been altered almost every session—not for the purpose of lessening its inevitable one-sidedness and unfairness to employers, but for the purpose of rendering it more efficient as a weapon of offence them. In fact, its most essential features have been recast. Under the act of 1894 awards were to be enforced by writ of at tachment issued from the Supreme Court; the unions were unsuccessful in their first attempts to obtain attachments, and they appealed to Parliament, which forthwith dowed the trades unions court with powers. It was one of the essential features of the original act that awards were not be legally enforceable unless the Court of Arbitration so declared by the award itself. On this point the author of the original measure said:—"As the court is likely to consist of experienced and reasonable men, I do not think they are likely to misuse the great powers placed in their hands, especially when we make it clear that they are only to make such awards binding as they may think it will be common sense to try and enforce by law. Therefore I have steered this middle course of making some awards binding (legally enforceable), and leaving others to the good sense of the parties." If for example, it had been suggested that this court might be so unreasonable as to make awards ordering employers to give the preference of employment to unionists, and make them legally enforceable, Mr Reeves, I am sure, would have scouted the suggestion as an in suit to a court presided over by a Supreme Court judge. Yet his is precisely what the court gradually came to do under constant pressure from the unions; yet even then the unions were not satisfied, and Parliament had to take from the court the power of saying whether its awards were to be legally enforceable able or not. In short, the history of this act is the history of coercion by legislation everywhere—one dose renders another necessary; it is like drinking sea-water And yet, again ns though they were determined to remove all the leading features of Mr Reeves's handiwork, the unions got their Parliament to transform the Boards of Conciliation into what they now are in reality—courts of first instance so that now, Instead of Mr Reeves's Boards of Conciliation settling 99 per cent. of disputes by conciliatory methods, with the Court of Arbitration "in the background," we have two courts—a court of first instance, and a Court of Appeal, to which there is a larger proportion of appeals than to
any other court in the world. And now, as I write, there is still another amending bill before Parliament, entirely dictated by the trades unions or the Labour department, whose function it is to keep their demands constantly before Parliament. One of the proposed amendments consists of only five lines, and yet it will have the effect of placing in the hands of the unions the most effective weapon against employers which their devilish ingenuity has so far devised. The original act, in furtherance of its design of settling and preventing strikes and lock-outs, provided that whilst a dispute was before the board or the courtan employer was not to lock out his men, and a union was not to strike; the proposed amendment is intended to deprive employers of the power of dismissing a unionist, not merely when a dispute is in course of settlement, but when anything is pending "preliminary to the reference of the dispute and connected therewith."

Then follows a specimen of coercive legislation so perfect in its way as to be worth quoting in full:—"In case either of the parties shall interrupt the relationship of employer and employed by the dismissal of any of the employees, or by any of the employees discontinuing work, the onus of proving that such discontinuance of work or such dismissal was not done in contravention of section 100 shall be on the employer if he dismisses as aforesaid, and shall be on the employee if he discontinues work as aforesaid. And yet Mr Reezes fondly imagines he can trace the features of his beloved offspring in this monster! I sincerely hope he may not have to admit that he regrets having fathered it.

V.—Colonial Trade Unionism

Dominationis in alios servitium suum Mercedem dant.

Having shown, I think conclusively, that the system is no and never can be, a success for the purpose for which it was intended, I propose to consider the chance or possibility of its being a success as a system for the regulation of industries. A glance at an award will show the lines upon which the court proceeds under the guidance of the unions. The two points upon which the unions have insisted most strenuously are the minimum (living) wage and monopoly of employment for unionist. But, besides these, the court deals with all the usual aims trades unions, such as reducing the hours of work, limitation of number of apprentices, and making indenturing compulsory, abolition of payment by the piece and of overtime, etc. The first thing to note, then, is the enormous power of the unions: the act gives them the right to call upon the court to adjudicate (practically legislets) upon any subject, however important or however insignificant, and the right might as well be exclusive, for the employers never exercise it, and probably never will, and the court has made the unions masters of the situation by granting them monopoly of employment, as this has led to great increase in their numbers.

It has been truly said that unionism must dominate Parliament if it is not controlled by Parliament, and in New Zealand for some years it has dominated the government, and through it the Parliament. The ultimate aim of the ringleaders in the conspiracy is to dominate the employers and control all the industries of the colony; and Parliament has deliberately furthered their aims, whilst the court, by awarding preference to unionists, has unconsciously played into their hand. They have achieved their object, and the employers from end to end of the colony feel themselves to be at their mercy. This is no exaggeration, but a sober statement of fact. Is it possible or conceivable that such a system can be a success?

If the teachings of history have any value at all, there is a strong presumption against the success of legislative and other artificial attempts such as this to fix wages and otherwise arbitrarily regulate the production and distribution of wealth; and this presumption is almost raised to a certainty when the attempt is made by means of a system so completely controlled by unionism as the New Zealand system is. In New Zealand, as in the other colonies, and in the United States, there is amongst the working classes generally a growing tendency towards socialism of a vague kind; whilst the leaders of unionism are, with probably few exceptions, influenced by the materialistic socialism of Karl Marx. They regard Marx's "Capital" as their Bible and accept as infallible truths fallacies which have been exploded over and again, and doctrines which Marx himself admitted toward the end of his life to be erroneous. Many of them accept as gospel the asserted right of the worker to the whole produce of industry, which has been called "the fundamental revolutionary conception of our time," and consequently they regard the capitalist as the vampire that sucks the blood of the workers. They accept as beyond question Marx's teaching as to class warfare, which sees in society simply a war of classes for the possession of material advantages, and regards the capitalist as a stranger and an enemy; it is not justice they demand for the workers, but power, looking forward to the time when the workers, organised into federated unions and societies, most obtain complete control of the government of the country and of all the instruments of production. They also echo his contempt for patriotism: the union and the interests of one particular class have taken the place of patriotism, and there is good reason to believe that many of the leaders are pro-Boer in their sympathies.

Unionism in New Zealand has become a triple tyranny—the ringleaders and agitators tyrannise over the
general body of unionists: the unionists, who are only a minority of the workers have established a tyranny over the workers generally, and they exercise almost complete control over the Ministry and the Legislature. They are at present concentrating all their efforts upon one object—to compel employers to use their capital according to the determinations of the unions, dictated through the Court of Arbitration, and in the meantime to give the least possible return to the employers for wages received.

The submissiveness of the general body to a small clique has always been characteristic of unionism. “There is too little individual thought or volition among them, and that little is rarely courageous. They follow others, thinking they are going with the majority, when in truth often half the majority are ignorant or reluctant, the impulse being given by a small, often unwise, sometimes selfish and dishonest clique. There is, perhaps no such through oligarch as that often to be found among trades unions.” In order that they may coerce the employers, they are content to surrender their individual liberties and individual judgments, and they show no resentment, however dictatorial may be the rule exercised over them by their self constituted leaders. This feature of unionism generally is specially characteristic of the peculiar variety created and fostered in New Zealand, inasmuch as the preference of employment to unionists compels large numbers to join the ranks who would much prefer to retain their liberty. A solidarity which is quite artificial and unreal is made the pretext for tyranny. Not only over members, but also over nonunionists.

We have already seen how completely the unions have captured Parliament; this is entirely the work of a few wire-pullers, who arrange the "tikets" at elections, and succeed in imposing themselves, not only on the unionists, but upon the workers generally. At our last general election, for example, the wire-pullers consummated a secret alliance of the labour party with the Roman Catholics and the liquor interest, by means of which they succeeded in foisting upon the constituencies members of whom they were in some cases ashamed when they came to know them. But there are indications now of a determination on the part of the other classes to throw off this infamous tyranny of a minority of a minority—this government within the government.

With such a spirit animating trade unionism, it was inevitable that our system of conciliation and arbitration should be perverted into an instrument of tyranny over employers; and the action of the court in granting the right of preference to unionists presents an instance of fatuity that would be difficult to parallel. But it is inconceivable that such a detestable tyranny as the leaders of unionism are striving to establish can long be tolerated. It has been said that labour passes through three states—when it is enslaved, when it is free, and when it is tyrannical in New Zealand it has reached the third stage.

One of the features of new unionism generally is its contempt for the old unionism, and especially for its encouragement of thrift and self-help. The inculcation of thrift is looked upon with coldness, if not with aversion, by our New Zealand variety of unionism as, indeed, it is by materialistic socialism generally. Experience shows that amongst the workers as rule, thrift goes with unselfishness and a sense of duty and responsibility and un thrift with selfishness and self-indulgence. The whole tendency of unionism amongst us is to destroy in the worker the one thing on which his manliness and his chance of real happiness depend, by disparaging the old unionist idea that it is a man's duty to carry at least his own burden; it tens also to discourage the foresight and self-control which form one of the elementary factors of morality—"a quality in moral character which determines the happiness or misery of them who possess or do not posses it, in a way that goes far deeper into life than by mere success or failure in laying by a sum of money." The difference between the old unionism and colonial unionism is clearly seen in their different attitudes towards the question of old age pensions, the tendency with us being to look to the State for everything and to discourage self-reliance. It is still more clearly seen in the fact that amongst the unionists in New Zealand there is almost complete indifference to real co-operation, which in England has made such remarkable progress in recent years. The whole tendency of our boasted labour legislation is to discourage real co-operation, and one of the worst evils of our arbitration system is that it tens, not only to divided permanently employers and wage-earners into two hostile camps, and to render it more and more difficult for the wage-earner to become an employer, but also to segregate the wage-earners more and more from the other classes in the community.

Such are the general tendencies and character of unionism of the colonial type and it must be admitted that the probabilities are against the success of a system of conciliation and arbitration in which unionism has such a preponderating influence. Coercion and class-warfare are of the very essence of it, and we can now see that failure was the inevitable fate of any system based upon conciliation. Unionism, like other institu tions, possesses no other virtue than that of the men of flesh and blood who apply it, and the leaders of colonial unionism, like their master, Karl Marx, profess the most profound contempt for moral ideals generally. Their reliance is upon force, not upon character.

The quality of our unionism strengthens enormously the presumption against the success of the system as one for the regulation of trade and industry by legal decree. In "Industrial Democracy, a book that is regarded as the very gospel of unionism, we read:—"The economist and the stateman will judge of trade unionism, not
by its results in improving the position of a particular section of workmen at a particular time, but by its effects on the permanent efficiency of the nation.' Is it to be expected that unionism, imbued with such a spirit as I have described, can promote the efficiency of labour? However it may be elsewhere, there can be no doubt of this—that unionism in New Zealand does not even profess to have any such aim, and that its whole tendency and influence is in the opposite direction. If it be true that unionism, like government, is to be measured by the men it eventually makes, not by the advantages, it immediately confers, them colonial and the new unionism generally stand condemned.

The authors of "Industrial Democracy," in their advocacy of the cause of unionism, find themselves compelled to make an important disclaimer of certain abuses which they describe as mere accidents, and which, according to them, form no part of the policy of unionism. On behalf of English unionism they disclaim the following:—The exclusive right to a trade, the restriction of the number to a trade, the restriction of the number of apprentices, the objection to piece work, the objection to the introduction of improved machinery, the "ca' canny" principle and interference with management.

Now, most people will be inclined to doubt whether even English unionism is entitled to this disclaimer; but it is certain that colonial unionism, and especially the bastard New Zealand variety, is not entitled to it. The whole spirit of unionism in New Zealand is to give the employer as little value as possible for the maximum amount of wages. To say that this is true of all unionists would, of course, be a libel on many excellent men who are unionists; but may reference is to the general spirit and tendency of the system. Employers are fully convinced that, whatever the theory may be, there is a good deal of "ca' canny" in actual practice. Judge Backhouse, the New South Wales Commissioner in his report, mentions a case in New Zealand in which the offence had been sheeted home: and the value of the disclaimer of Dr and Mrs Webb on this point may be judged from the following facts: Sir Hiram Maxim gave an instance of a small gun-attachment which the union committee classified as a day-and-a-quarter job. He invented a machine to make it, but the men would produce the piece only in a day and a-quarter, even with the machine. He then hired a German workman, who easily produced 13 pieces a day. It is only necessary to add that Dr and Mrs Webb admit that the "ca canny" rule is an "adulteration of labour" which may "easily bring about the final ruin of personal character."

The limitation of the number of apprentices is a subject on which New Zealand unionism insists very strongly, and almost every award of the court imposes such restrictions; and yet our authors describe it as "undemocratic methods, and fundamentally unsound in its financial aspects."

To see how little New Zealand unionism is entitled to the disclaimer of interference with management, one has only to read the demands filed by the unions and the award of the court. That court has stretched its enormous power of interference even beyond its very wide legal jurisdiction by ordering an employer, on the demand of the union, to reinstate certain unionists whom he had dismissed. As an instance of interference on the part of a union, I give the following specimen of a letter from the secretary of a union to an employer:—

"May 27, 1901

"Mrs___

"Dear Madam.—I have been instructed by the___Industrial Union to inform you that unless Miss___(to whom you gave one week's notice without just cause whatever, after being in your employ for a considerable number of years) is reinstated within three days from date, further proceedings will be taken by the above union.

"I have also the honour, as secretary, of forwarding you the log, which is enclosed, and agreed upon by this union, to which we shall be pleased to hear of your answer on Saturday, June 1 inst. Failing that, we intend to file the statement immediately after that date. I am, dear madam,—Your truly,

"_____

"This is an example of what employer are getting used to in the way of interference (to put it mildly) in the Land without Strikes; the case is interesting also as an illustration of the way in which a "dispute" is got up for conciliation. Down to the minutes details the unions interfere with management: in a reference filed by the tramway employees, one of the demands is, "That employees be allowed to smoke when the car is not in motion!"

VI.—The Economics of the Minimum Wage.

Call that which is just equal, not that which is equal just.—Greek proverb.

The result of our investigation up to this point has been to find that a system intended by Parliament as one
for the settlement of strikes has proved in actual practice to be an arrangement for placing the regulation of all trade and industry under the control of the unions exercised through a court created for the purpose. The union leader is constituted a Lycurgus, organising things according to his own ideas, and he is busily engaged in framing a constitution for a society composed of consumers, employers, and wage-earners, amongst whom he undertakes to distribute wealth as he thinks proper. How little consideration the consumer receives either from the unions or from the court we still see further on. The unions assert and exercise through the court the right to say what wages all classes of workers are to receive and what work they shall give in return; and the question arises whether this is practicable in a community not founded upon pure Socialism, but upon private property, and ostensibly upon freedom of contract, and in which industries are carried on by private employers at their own risk and with their own capital. This attempt is made by arbitrarily fixing a minimum wage for each industry, and it is probably not the least use arguing with the workers that all such efforts to enrich one class at the expense of another are wholly uneconomic; for they would probably reply, So much the better: nor is it any use expecting to convince them that the only way to permanently raise wages is to increase production. For the teachings of history and economics not only the unionists, but the delegates they send to Parliament, have the most profound contempt; and so it is useless to prove that such arbitrary devices to increase wages are as ineffectual as were the "Statute of Labourers" and the conspiracy laws to keep wages down. The unionist refuses to believe that wages are proportioned to the productivity of industry and the abundance of capital, and that whatever tends to restrict output, whether it be legislation or union regulations, reacts in the long run upon the worker. Unfortunately for the worker the tendency of unionism has been to lead him to look upon wages as so much money extracted from the capitalist, and to regard the capitalist as an enemy to be despoiled; whereas facts show that if the interests of capital and labour are not identical they are certainly not antagonistic: they are reciprocal. The real antagonism is between employer and employer. There is reason to fear that the evil done by unionism infostering this spirit of antagonism far moreethan countervails any good they do a country which has been described as the Paradise of the worker's, the agitators tell him that he is unjustly treated that he has a right to more than he receives, that the only obstacle to his obtaining more is the employer, and that the way to extract it is by coercion. Such teaching is especially mischievous in a country such as New Zealand, where the people are omnipotent. Unionism has its uses, but as an instrument of socialistic warfare it is utterly mischievous. At present this is carried on by means of legislation directed against capital through the Arbitration Court.

By means of incessant labour legislation and everlasting disputes capital is kept in a state of uncertainty and perturbation, but the union leaders either refuse to cognise the fact or glory in it. They it the idea of frightening capital, and call it a "bogey" set up by the employers just as they laughed at the "bogey" of foreign competition in the engineering lock-out of 1897-8.

In England the danger is proving to be so real that a scheme is now on foot send union delegates abroad to see for themselves and report to their deluded con freres. In France the Socialist Labour party is actively engaged in labour legislation, and M. Millerand, the representative of that party in the Ministry, has found it necessary to warn them of the danger of frightening capital into taking flight. In New Zealand there are unmistakable signs that capital is becoming alarmed, but nothing short of actual experience can bring conviction to the average unionist, whilst as for the agitator ho glories in frightening captital.

At present the unions are concentrating their efforts mainly upon two objects—using the court for the purpose of securing preference for unionists sod getting a minimum wage fixed in every trade. They seem to think that the decree of the court can maintain a "living" wage in spite even of bad times. We could forgive to unionism a great deal if it tended to promote the efficiency of labour, but it cannot and does not make any such pretension. There can, indeed, be no doubt that the joint effect of the minimum wage and the preference to unionists is very much in the opposite direction. Formerly the unions consisted of the elite of the workmen, be cause the policy was to exclude men who were not worth the standard wage; but this is now impossible. The effect of this is to countervail whatever tendency union- ism had towards increasing the efficiency of labour, which is admitted by Dr and Mrs Webb to be essential to justify their existence. It has no doubt made them more "independent" as the following incident will show:—A master painter engaged two unionists for a job of painting and papering; one he selected because of his being an expert paperhanger, and the other because of his skill as a painter. On visiting the job for the first time he found the paperhanger doing the painting and the painter doing the paperhanging. On asking the men to change places, one of them, instead of complying, told this tyrannical master to go to—with his job, and left. This is what unionists would call a spirit of independence. It is perfectly clear that when such a spirit as this pervades the men an employer has no control over his business, and to dismiss a unionist for disregarding instructions is out of the question. But even Mill, the great advocate of unionism, admits that to extract work from employees without the power of dismissal is not practicable. But matters are coming to such a pass in this best of all possible countries that employers durst not dismiss a workman if he is a unionist. The following little incident illustrates the obverse side of the
unionists' idea of independence. An employer on his way to a job one morning forgathered with two of his men. The employer happened to be carrying a parcel of material for the job, and the men relived him of the burden. Presently they hastily handed him back the parcel, pointing to some workmen who had come in sight some distance off, and explaining that if they should be seen by other members of the union carrying anything for the employer before starting time they were liable to be reported to the union and fined! Anything more contemptible than such a spirit amongst men it were indeed difficult to imagin: tyranny, miscalled independence, towards employers and espionage and intimidation as between themselves, and throught it all the determination to give employer as little value as possible for wages received.

The evil effects of the minimum wage (especially when combined with preference, whilst membership of a union is no guarantee of competence) are obvious. In the first place, although the fixed wage is a minimum, it is to be expected that the minimum will tend to become the maximum. An employer compelled to pay some of his men more than they are worth is certain to pay good men less than they are worth, unless the demand for labour is so great as to make this impossible. This tendency is admitted by the authors of "Industrial Democracy," and our experience in New Zealand shows this to be the actual result. The skilled workman, who is naturally inclined to take pleasure in the full exercise of his skill, and who is probably too high spirited to submit to union tyranny, is affronted to find that the duffer at his elbow, who perhaps works on the "ca," canny" principle, receives the same wage as himself. The effect of this upon the industry of the country must be very serious; but what is most serious is the effect upon the character and efficiency of the worker. The effect upon apprentices must be most pernicious; knowing that as soon as he becomes a journeyman he becomes entitled to the minimum wage, the apprentice has no incentive to improve himself and carry on his education. Decline of efficiency is inevitable, and I am informed by employers in the building trade that within the last few years it has been so marked that, in estimating the cost of work, they have to allow for three men where formerly they allowed for only two. If this be really the effect of unionism and regulation of industry by law, then there could be no greater condemnation, for it is not only our industries that are endangered, but the character of our people, and even civilization itself.

Let us now proceed to consider some of the more direct effects of the minimum wage. The unions strenuously claim credit for the general rise in wages; but there is good reason to believe that in many cases it has been attained not by means of unionism, but in spite of it—by reason of the increase of production, by the increased use of machinery, and improved methods of work. As to the fact of the increase there is no doubt: not only the nominal (money) wages but the real wages have increased, because the prices of the necessities and conveniences of life have tended to decrease even more than nominal wages have increased. That this is the tendency under conditions of freedom there is no doubt; but can the same be said under a system used for the purpose of artificially and arbitrarily raising wages? The answer must be in the negative so far as the New Zealand experiment is concerned. Nominal (money) wages have been raised in many instance by the court, but even unionists admit that prices have gone up in a greater proportion. The ultimate outcome is that real wages (i.e., number of commodities that can be bought with the money wages) have not increased. A natural rise of wages does not increase prices or diminish profits but an arbitrary rise tends to produce both of effects, and the only way of increasing the income and improving the material condition of the wage-earner is through a natural and permanent advance of real wages. The worker's standard of living is not improved by merely giving him more money to spend, but by enabling him to buy more of the good things of life with his wages. Unfortunately his notions on the subject are perverted and confused: he imagines, with Ben Tillet, that wages should regulate prices instead of prices regulating wages, and one can easily see that this pre-posterous idea lies at the root of many of the demands made before the court. But even the unionists are beginning to realise the absurdity of the idea that a general rise of wages attained by means of an equal or greater rise in prices is beneficial; and in some cases it has actually been suggested that the court might raise wages by reducing the price of the raw material! A beautiful illustration of the difficulties created by artificial devices for raising wages! The unionist leaders seek to evade this difficulty, and at the same time appeal to the pre-judice against employers, by putting into the worker's head that most mischievous and fallacious conception that wages come out of the employer's pocket. The unionist imbued with the teachings of Karl Marx thinks it is for the benefit of the workers that the employer's capital should be eaten up and consumed in the payment of wages.

The recent history of the boot trade in New Zealand presents a lesson which even the unionists are taking to heart. It will be remembered that the court, having regard to the effect of the importation of American goods upon the local industry, refused to raise the minimum wage. What is the result? That the workers, recognising the impossibility of keeping up wages by decree of the court, have joined the employers in sending two operatives to the United States to learn the American system. Here, then, is a case in which even unionists have been constrained to admit that neither acts of Parliament, nor awards, nor further protection could enable them to compete with the Americans, and that the only way is to increase and cheapen production.

The same thing must happen in all industries in which foreign competition can operate. There are, no
doubt, some industries in which it is possible to maintain a minimum wage by raising prices, and in some trades there has existed what can only be described as a conspiracy between the unionists and the employers (to which the Conciliation Boards and the court have been parties) against the interests of the public as consumers. But, after all, the workers themselves constitute by far the larger proportion of the consumers, so that an increase of (nominal) wages gained at the cost of an equal (and probably greater) increase in the cost of necessaries is no real benefit to them, whilst such an increase is positively unfair to other classes in the community. Here we come face to face with, one of the fundamental objections to the minimum wage—the fact that it does not give the first place to the interest of the consumer. No one objects to the unions seeking to obtain for the workers a greater share of the social wealth of the community, but when they try to attain this end at the expense of other classes or otherwise than by increasing the wealth of the community their influence is wholly mischievous.

There is one class in particular that has all to lose and nothing to gain by the action of the unions, and the Court of Arbitrations, and, indeed, by our boasted labour; legislation generally—the farmers, the most important class in the community. Agriculture, according to a Chinese proverb, is the root of the social tree, and manufacture: and trade are merely the branches. I remember seeing a pictorial presentation of the same idea in a country storekeeper's almanac, where the clergymen was represented as praying for all, the advocate as pleading for all, the soldier as fighting for all, whilst the farmer at his plough came last, saying "I work for all." When the unionist mechanic, who makes the farmer's plough, applies to the court for an increase of wages, he imagines he can overcome all objection by suggesting an equal increase in the price of the plough; and when the statutory Providence to whom we have entrusted the regulation of all our industries ventures mildly to suggest that an increase in the price might reduce work by increasing importations, the unionist is ready with his favourite remedy—more protection by increase of duty; or if the industry in question happens to be one in which the farmer's produce forms the raw material the unionist will suggest that the difficulty might be met by a reduction in the price paid to the producer—the farmer. This actually happened in the case of the tanners when a reduction in the price of hides was suggested! And yet the unionists and yet unionists Premier think the farmers should not form unions. Self-protection is the utmost the poor farmer can hope to achieve by forming unions, for neither the statutory Providence that presides over the sublime Court of Arbitration, nor the omnipotent Parliament itself can fix a minimum price for the farmers' oats, his wheat, or we mutton, or his wool. No, not even if the Trades and Labour Council gave them permission to fix a minimum price and vouchsafed to the farmers the official countenance and support of the Labour party.

Even the unionists themselves are beginning to have a doubt as to the practicability of fixing and maintaining a minimum age by ordinance, and it is beginning to dawn upon them that they may eventually "have to come out by the same hole where they in "The labour advocates before the boards and the court are in the habit of attempting to justify their demand for incase of wages by pointing to the great in the cost of necessaries of life, and especially the rise in house rents. They are compelled to admit that to some extent this is the result of the working of the system but they find it necessary to complete the circle by bringing all industries under awards In a recent case one of the labour advocates urged upon the board the fact that Dunedin is one of the most expensive towns in the world to live in! and therefore it was necessary to raise wages: the old circle of protection and restriction making further protection necessary.

One of the favourite arguments of the agitator, termed advocate, is the enormous increase in house rents, which he, of course, attributes to the rapacity of the landlords. The landlord may have to pay about one-third more for material and labour in order that the worker may receive higher wages, but he must not raise the rent; and in order to reduce rents the Government or the municipality must build houses to be let to the poor workers at low rents! At all hazards the wage-earner must be saved from the consequences of his own action. If the wicked capitalists button up their pockets and refuse to make work for him then the Government must do it! As for the farmers and other classes who suffer equally in consequence of increased prices, they are not worth considering!

Such are some of the difficulties incidental to attempts to fix arbitrarily the rate of wages. Another evil inseparable from the minimum wage is the hardship it entails upon the elderly and the slow workman. In many cases employers are anxious to keep on faithful workmen when they are past their best, and are no longer worth the minimum wage, but of course at a lower wage. But this is not business, but mere kindliness, and it is not allowed by the unions: such men must become pensioners on the State. We are, of course, aware that the awards make provision for "permits." allowing elderly or slow workmen to take employment at wages less than the minimum. But such a system is open to many objections—it is humiliating to the workmen; and, except when the demand for labour is exceptional, employers prefer to have nothing to do with men who are neither worth the minimum nor free to take work at a wage which the worker himself, as well as the employer, may consider fair. It pays the employer better to pay the minimum to good men than to pay less to inferior men. Many a deserving man has had to endure bitter humiliation and hardship from the operation of the minimum wage in Victoria, and there the system has utterly broken down.
An instance of this has been brought under my notice as I write. An employer in Christchurch was keeping on one of his workmen when he was over 70 years of age, and paying him 7s a day. The unionists came along and insisted upon the employer paying the minimum wage, and the consequence was that the workman had to be turned adrift. The unionists will no doubt say he can get an old-age pension; and if he cannot, he is entitled to charitable aid!

We have yet to learn that there are some demands which can only be made by madmen and listened to by fools, and this demand for a minimum wage in all industries seems to be one of them. At the root of it lies the Utopian cry "Equality and Fraternity," at once preached and discredited by the French Revolution. For Liberty we have substituted Liberalism, which in New Zealand means its opposite; and we are likely to learn by experience the truth of the saying, "Equality may be a right, but no human power can convert it into a fact." But we may perhaps console ourselves with the reflection that there is a presumption, that what cannot be accomplished ought not to be accomplished.

VII.—Judge Backhouse's Report.

If hopes are dupes, fears may be liars.

We have been studying the working of a unique experiment in labour legislation, the outcome of which is being closely watched by other countries. In New South Wales a bill embodying the principle of compulsory arbitration (but without conciliation provisions) passed the Legislative Assembly last year, but was lost in the Council. Now, it is perfectly clear from the expressions used by the then Premier, Sir W. J. Lyne, that when he undertook the great responsibility of introducing a measure of such tremendous importance he must have been quite ignorant of the real nature and outcome of our act. It is indeed comical, and says little for the statesmanship of New South Wales, and indeed of the other Australian colonies, that their politicians should be so ready to slavishly follow the example of New Zealand in this and other matters. It reminds one of our own action during the last Melbourne boom, when New Zealand was sunk in depression and we thought of nothing but studying and imitating the means by which the supposed marvellous prosperity of Victoria had been brought about. But it is not merely the supposed success of our labour legislation as a means of advancing the prosperity of the colony that has made it so attractive to Australian politicians, but rather its proved effectiveness in securing for the Seddon Ministry the support of the Labour party, and a long term of office. This is sufficient to account for the New South Wales Industrial Arbitration Bill, and for the infamous conduct of the first Commonwealth Government in introducing into their programme, for the sake of securing the Labour vote, two such momentous measures as compulsory arbitration and old-age pensions. If anything further were necessary to confirm thinking people in New Zealand in their opposition to federation the fact that the first Federal Ministry should consist of men capable of paltering with such subjects should be sufficient.

The attitude of Mr B. R. Wise, Attorney-General of New South Wales, on this subject is difficult to understand. Here we see a pronounced individualist and author of an able book against Protection, advocating a measure which involves infinitely more of State interference and regulation of industry than does mere Protection. The position of Mr Reeves, the author of the New Zealand act, was very different: he described himself as "a straightforward socialist" (whatever lie may be now), and I think it is perfectly clear from the extracts from his speeches given in my first paper that even the socialistic Mr Reeves would never have fathered our act if he could have foreseen that it would be perverted into a system of State regulation of industries; one thing is certain—the New Zealand Parliament would not have passed it in 1894. When Mr Wise introduced his bill first he probably intended it, as Mr Reeves intended his bill, merely as a means for the prevention and settlement of strikes, and he was probably not aware of the fact that our act had never been applied to the purpose for which it was intended, when he referred to the success of our act in justification of his action. But he cannot urge that excuse any longer, for he cannot fail to see, even through the opaque medium of Judge Backhouse's report, that our system is not one for the prevention of strikes. The members of the New Zealand Legislature thought they were enacting a measure "to facilitate the settlement of industrial disputes" (in the words of the preamble); they find they have created a perfect Frankenstein's monster. If, in spite of our experience, Mr Wise persists in the attempt to foist upon his country an act which must inevitably be perverted as ours has been, then great indeed will be his responsibility; but, if by reason of the political exigencies of his party he should refuse to read the lessons to be derived from our experience, then the terms adequate to characterise his conduct would be such as no statesman would like to have applied to him.

Turning now to Judge Backhouse's report, the first thing that occurs to one is the strange fact that a judge should have been sent upon such a mission rather than an experienced business man. It shows clearly that those who selected him must have thought that what he had to report upon was a system for the settlement of real disputes, and not one for the regulation of industry. It is much to be regretted that the judge has failed to make it clear that he realised the difference between what he expected to find and what he actually did find. The
That a permanent tribunal set up for the settlement of industrial disputes will inevitably be perverted into

That the experience of New Zealand affords no guidance as to the practicability of schemes for the

That the same thing will inevitably happen in New South Wales if an act should be passed on the lines of

That he found in operation a system totally different from that which he expected to find, and from that

...him arriving at some such conclusions as the following:—

perspicacity, who could see the true inwardness of our system for himself, instead of a judge, who merely

which it has become used to the exercise of tyranny.

operation of the act labour has passed from the stage in which it enjoys and appreciates freedom into that in

than they would be if the act were to be repealed, he is probably right, for the simple reason, that under the

they are just as friendly as those of litigants usually are. If the judge means that relations are now more friendly

about a third of them was conciliation brought about. Formerly, the relations were generally friendly, but now

the fact stated by him-self that in less than five years 109 disputes have come before the boards, and that in only

means to say that relations are more friendly now than they were before the act, how is he to reconcile it with

employers and employees than would have existed if there were no act.' Now, if by these words the judge

therefore misleading. Again, the judge says "the act has, on the whole, brought about a better relation between

Judge Backhouse says: "There is one matter about which both sides are emphatic—namely, the necessity of

having a Supreme Court judge as president of the court, and he leaves it to be inferred that this is on account of

Judge Backhouse says: that a permanent tribunal set up for the settlement of industrial disputes will inevitably be perverted into a blessing. If the judge had exercised any penetration and sagacity he could not have failed to discover that what he found in operation is not a system for the settlement of industrial disputes (in the ordinary and proper sense), but one essentially the same as that existing in Victoria; the differences being that in Victoria the boards are serving the purposes for which they were created (for good or for ill), whilst our boards and court are serving a very different purpose from that for which they were created. And the Victorian system is much more rational m conception than ours. What is the reason that our system places a Supreme Court judge at the head of the Court of Arbitration, is simply that his function was intended to be the settlement of strikes and...
the court in any dispute; and that the way to avoid this is to adopt the Massachusetts system, under which it lies with the Conciliation Board to constitute itself a legal tribunal, in case of the failure of conciliation.

- That the New Zealand experiment is valueless except for negative conclusions, inasmuch as the period of six years that the act has been in actual operation has been one of gradually increasing prosperity.
- That the presumption against the success of any scheme for the arbitrary regulation of industry is fortified by the New Zealand experiment, inasmuch as it has largely increased the cost of living.

It only remains to add that the writer did his best as a member of the Legislature to secure the passing of the act; that he believed it would prove a beneficent measure, and still believes it would have so proved had it not been perverted to improper uses; that he has watched it closely from its inception, hoping against hope that it might yet fulfil its promise and justify the expectations of its author; that he has been reluctantly driven to the conclusion that it is proving, and must more and more prove, a curse instead of a blessing; the best thing that could happen would be the repeal of the act, but that this is impossible because of the domination of organised labour; that the trade unions, by persisting in their abuse of the system by using it as a means of tyrannising over employers and others, will sicken and disgust the community, and that when dull times come the act will be allowed to fall into desuetude. The experiment presents a remarkable illustration of the truth of Machiavelli's saying, "Let no man who begins an innovation in a State expect that he can stop at his pleasure, or regulate it according to his intention." Judge Backhouse concludes his report upon the act with the following words: "Whatever may be the result, the world owes a debt of gratitude to New Zealand for having undertaken the task of demonstrating whether it is possible or not to settle industrial troubles by compulsory arbitration." If the judge had exercised some judgment and perspicacity, he might have earned the gratitude of his colony by pointing out that, although New Zealand undertook the task, she has failed to perform it, or even to attempt performance; and that, instead of admitting her failure, she tries to delude herself and others into the belief that she has successfully performed the task she undertook: "her faith unfaithful makes her falsely true." As to the motives of the author of the measure there can be no doubt, but the outcome shows how true it is that the highest motives lead the beet of men to the most doubtful of policies.

Commonwealth of Australia.

Speech by Senator the Hon. Sir Josiah Symon, K.C.M.G., K.C., Attorney-General,
On the Second Reading of the Conciliation and Arbitration Bill.

[From the "Parliamentary Debates," 19th October, 1904.]

Senator Sir Josiah Symon (South Australia-Attorney-General) move—

That the Bill be now read a second time.

In moving the second reading of this Bill, I recognise, as we all must do, the great importance of the measure. Whilst setting a high value on the principle and purpose of the Bill, I cannot help thinking that as to its immediate practical operation it is viewed, perhaps, with an exaggerated enthusiasm on one side, and with a needless fear or apprehension on the other. I am proud to be in a position to move the second reading. I think it is an honour which any one would appreciate, and which I certainly do very fully appreciate. It will not, I think, be necessary to demonstrate to the Senate the essential principle of the measure. I regard it as a part of that very modern, salutary, and humane legislative effort to substitute in industrial disputes the arbitrament of conciliation, the peaceful arbitrament of an appropriate judicial tribunal, for the violent and barbarous methods of the strike and lock-out. I say violent and barbarous methods, because they bring with them all the attendant passion, and sometimes bloodshed and worse even than that—the untold misery and suffering to innocent people, to women and children. Strikes, which, in their origin, may be merely disputes as to rates of wages, may attain the magnitude of civil war. They may involve a revolt against ordered society and peaceful government. It is so, because we must remember that the accustomed remedy for the trouble was force, and force in combination, and that force in combination very often resulted in conflict with the civil authority. These old methods paralyzed industry; they sometimes exiled workmen from home and country, and gave trade over to the foreigner; they involved untold loss to the community. But beyond and above all these things which I have summarized, and which we all recognise, there were the sufferings of the innocent. Who shall count the tears of the women, or the cries of the children? I have often had in my mind in connexion with the consequences of these methods, which we are at one in desiring to bring to an end if possible, the well-known lines from The Cry of the Children. There is nothing which moves a man like the sufferings of children—there is no motive which appeals.

Powerfully to a man in guiding his course of action, than the distress of the suffering child.
But the young, young children, O, my brothers,
Do you ask them why they stand,
Weeping sore, before the bosoms of their mothers,
In our happy Fatherland?

And—

*The child's sob in the silence curses deeper*
*Than the strong man in his wrath.*

Is it not so? And if that is a fair summary in general of consequences, which every one of us deplores, and the removal of which largely underlies this particular kind of legislation, then, surely, every effort that can be made to give for industrial war the blessing of industrial peace will be welcome? The compelling reasons, I do not say for this Bill, but for similar legislation are to avert injury and loss to employers, to workmen, and to the country and to promote the interests of humanity. We can never escape from national or from international strife. Man, I was going to say, is born to quarrel and to fight—at any rate, one of the finest qualities which mankind possesses is, when held in proper subjection, the combative instinct. It is found in all spheres of society. We know that it reaches the village, and is asserted by the villager—

*some village Hampden, that, with dauntless breast,*
*The little tyrant of his fields withstood.*

As we go up and down the scale of social, industrial, and national life, the fighting instinct, the assertion of right, when they ought to be asserted, and the combative instinct prevail. Whilst it is, therefore, a large undertaking to subdue the combative instinct, it should not be so large an undertaking to regulate and minimize it. In international affairs we know that international arbitration has been brought about within recent years. I am afraid it only applies to minor disputes. It is, however, not a modern development, although it is largely of modern application.

Senator Higgs.—The big fellows make the little fellows agree to it; the United States and Venezuela, for example.

Senator Sir Josiah Symon.—Perhaps the honorable senator is right, but be will see that he uses a two-edged sward. It may equally apply to large organizations in whichever direction they are exercising similiar power over the individual or a smaller organization. I merely suggest to [unclear: uncearly] friend for his consideration that he uses a double-edged argument. I wish hurriedly to run over the development of this very humane principle. I say that even in international affairs it is not of modern origin, although it is of modern application, because I find a very distinguished constitutionalist stating recently—

*The history of international arbitration reached back to the earliest times of classical antiquity, and ran through the Middle Ages, and in our own time the subject had assumed proportions little dreamt of half a century ago.*

The same constitutionalist said, on the same occasion—

*Europe had fallen back upon the plain, less ambitious, but more practical arbitration resting on the consent of the parties to the dispute.*

Of course in relation to these matters there must be consent.

*And they might hope that its adoption, though it never could abolish war, would at least greatly diminish its frequency.*

And he points out a principle which, I think, we might bear in mind, and apply so far as we can to these matters of industrial disputes when he says—

*In truth, no international authority, with the power to enforce the decrees of the tribunal of arbitration, was either necessary or desirable.*

Senator Dawson.—But there is a difference between outside disorder and disorder within one's own territory.

Senator Sir Josiah Symon.—That is so.

Senator Guthrie.—Who is the authority quoted?

Senator Sir Josiah Symon.—Sir Robert Finalay, the present Attorney-General of England, a gentleman
whose qualifications to express an opinion and such a subject from the historical point of view, and from the point of view of juridical principle, cannot be exaggerated. But we know quite well that that feeling largely enters into these matters of national and international disputes, and in graver question there is still, unfortunately, the arbitrament of the sword. The honour of a nation cannot go to arbitrament when I speak of the honour of a nation I fear that we must include in the expression its ambition and its desire of territorial aggrandizement, and in international arbitration is the absence of what lawayers call a "sanction." There must be a reference by consent, as Sir Robert Finlay says, because there is no international authority with power to enforce the decrees of the tribunal there is no complete sanction, but there is this: There is the honour of the nation itself, and it is that which secures, as we know it has done in the past, the performance of the award which may happen to be made in relation to any international dispute. If, therefore, these effort have ben made—halting and incomplete it may be, as my honorable friend Senator Dawson has just pointed out, by reason of the distinction to which he has alluded—and if these efforts have proved successful, in a number of instances which I need not detain the Senate to quote, in relation to international affairs, I think we may very fairly look hopefully to the possibility of applying them in relation to our own internal industrial disputes. The difficulty which faced those who undertook this great subject, in the first instance, was to reconcile arbitration by consent and arbitration by compulsion. The steps in the first instance were tentative, and I think I may say, in no spirit of depreciation, that these efforts are still more or less in the experimental stage. That is true, as has been admitted, of the New Zealand Act. It is true of the New South Wales legislation, and probably it will also be true of this measure when it comes into operation. But that should not deter us from making the effort so far as we can, and making it as efficient as we can. We need not invite difficulties or meet them on the threshold, but if they arise it is our duty to endeavour to overcome they. I am speaking now of the legislation that has already existed, and of which I am giving a brief historical summary in relation to the principles underlying it. I say that, though compulsory, the efficacy of the law, to my mind, just as in regard to international disputes and awards, must rest, not on penalties and punishments alone, but on the inborn law-abiding sense of the people, and on the force of a just and intelligent public opinion. These forces will always apply when we are speaking of compulsion, and of the provisions we seek to embody in an Act of Parliament of this nature, we must never forget that over and above all, and aiding all, is the force of a true and just public opinion. Mr. House of Representatives the original New Zealand Conciliation and Arbitration Bill, said—

we are a law abiding people. The people of the Colony respect the law whether some of them like particular laws or not. I do not think the law will be set at defiance by any class of the community.

These being the principles applicable, and the objects to be gained, legislation of this sort was introduced in South Australia first in 1890.

Senator Playford.—But it was not compulsory.

Senator Sir Josiah Symon.—I was going to point that out. I remember very well that when the measure was introduced it was mentioned that there had already been a Bill a copy of which was not then to be obtained, introduced in the New South Wales Parliament by the late Sir George Dibbs, then Mr. Dibbs, with the same object. But there can be no doubt of this—that the true credit of having embodied a carefully thought-out scheme on this subject in a most lucid printed Bill belongs to the Right Honorable C. C. Kingston, who, if by nothing else in his public life, deserves by that measure to be permanently held in remembrance. With respect to that I think I may be excused for giving this little personal reminiscence. The draft Bill was submitted to me before it was finally in print I regard that as not merely a compliment from Mr. Kingston, who was then in politics while I was not, but as an acknowledgment of a desire which I shared with him at that time, and always have shared, that some effort should be made to secure the arbitrament of a tribunal in respect of industrial disputes in substitution for the methods to which I have already alluded. That Bill was introduced at the end of the session of 1890, not for the purpose of attempting to pass it, but in order to in form the mind of Parliament and of the people of South Australia on the subject, and to give the country, from a statesman like point of view, an opportunity to study the question and to form an opinion upon it.

Senator Playford.—It was not compulsory.

Senator Sir Josiah Symon.—The Bill has re-introduced in the following year, 1891, and, finally, after other steps, which my honorable friend, Senator Playford, will recollect, and which I need tailing, it was in 1894 introduced in the Legislative Council. I may here say that I see no reason whatever why this Conciliation and Arbitration Bill should not, at its inception, have been introduced in the Senate. Possibly, if that had been done, many thins which have since taken might have been avoided. There is the precedent which I have mentioned. It was introduced, as I have said, in the Legislative Council in 1894, and it became law.

Senator McGregor.—With the inside taken out of it.

Senator Sir Josiah Symon.—My honorable friend Senator Playford has remarked that that measure was not
compulsory. I do not agree with my honorable friend Senator McGREGOR that the inside was taken out of it, because the scheme of the Bill was carried as introduced, and the honorable senator who now says that the inside was taken out of it approved of it at that time.

Senator McGREGOR.—I did nothing of the kind.

Senator Sir Josiah Symon.—The honorable senator said, in the Legislative Council that the Bill was not all that he desired, but he concurred in its being passed.

Senator McGregor.—I could not help it.

Senator Sir Josiah Symon.—There is a difference between opposing a Bill and giving it one's blessing when it is passed by a Chamber of which one is a member. But I frankly acknowledge that many, if not all, holding the views of honorable senators opposite, and belonging to the party which my friend represents, were very slow to give their approval to any system of arbitration, compulsory or otherwise. Because, like other people, the Labour Party had not at that time reached a decisive point of judgment on the subject. I am not at all reflecting upon them. I think that it is desirable that the process of coming to a conclusion on an important matter of this sort should be slow; and I think all parties on all sides, and all interests, might very well, so to speak, seek time for consideration before making a departure which is very grave and very vital.

Senator BEST.—The South Australian Bill made a very substantial advance, though, because it gave the force of law to the enforcement of an award.

Senator Sir Josiah Symon.—I was about to point out that. We have an example to England at this moment. One of the most notable conferences of trade unionists has recently taken place at Leeds. It was presided over by a very distinguished unionist, Mr. Bell. A proposal for arbitration for the settlement of industrial disputes was defeated by a nearly three to one vote.

Senator GIVENS.—Why?

Senator Sir Josiah Symon.—All that I know is that it was defeated.

Senator GIVENS.—Because they are afraid of the constitution of the Court.

Senator Sir Josiah Symon.—They may, or may not be; but I do not agree with my honorable friend in his criticisms the other day, and those of Senator de Largie, with regard to our judicial officers.

Senator DAWSON.—Not very long ago they objected to eight hours.

Senator Sir Josiah Symon.—I rejoice at the liberalism of trade conditions. I rejoice in the relief that has already been secured; and I rejoice that the efforts that have been made have, in many direction, been so successful. But I believe, at the same time, that there are no men on this planet who rise so completely above the level of local conditions and local influences, who are so absolutely free from bias and so impartial, bending neither to the one side nor to the other, as are the Judges of our country; and I do not believe there is any likelihood of a measure of this sort being defeated by an assumption that the Judges will not do even-handed justice.

Senator DOBSON.—I do not think there is a word in the Times report of the Trade Unions Congress which expresses Senator Givens's objection—not a syllable.

Senator Sir Josiah Symon.—I merely mention that, not with a view of suggesting that conciliation and arbitration for the settlement of industrial disputes may not be effected in the mother land, but to bear out the remark I have just made in vindication of any hesitation on the part of the labour organizations, in the early stages of this legislation, to accept it. The same slow, gradual process of conviction may, I hope, make itself felt upon the minds of those in England who, by a majority of nearly three to one in the conference to which I have referred, have just negatived a proposal for conciliation and arbitration.

Senator DAWSON.—Does the honorable and learned senator suggest that we ought to wait until the minds of people in England are changed?

Senator Sir JOSIAH SYMON.—I am not suggesting that at all.

Senator BEST.—Otherwise the honorable and learned senator would not be moving the second reading of this Bill.

Senator Sir Josiah Symon.—Of course not. As my honorable friend Senator Playford has reminded me, there was no compulsion under the first South Australian Act. That Act, unfortunately, was, as a result, largely a dead letter. It depended on registration. Without registration there was no enforceable award. No award was to effect any one who had not submitted. The provisions against strikes were against strikes by, or on the part of, registered associations. That measure, nevertheless, was an enormous advance. In fact, it was the foundation of the subsequent legislation which has been passed elsewhere. But under the conciliation and other provisions of that South Australian measure, there has been, I think I may say, most satisfactory adjustments of various industrial disputes in South Australia.

Senator GUTHRIE.—Some disputes were prevented by it.

Senator Sir JOSIAH SYMON.—There cannot be prevention unless there is a dispute.

Senator DE LARGIE.—The Bill may have prevented strikes.
Senator Sir Josiah Symon.—That is another thing that is a distinction to which I hope to invite the attention of honorable senators presently. But until there is a dispute there is nothing to arbitrate upon. The object of the legislation was to prevent strikes. That was the first legislation, so far as South Australia is concerned. In the meantime—before 1894—New Zealand seized upon the idea, and the whole scheme gradually took a clearer form. The essential position was better understood by the time the New Zealand Act was passed. The object then was—and these, it seems to me, are the two cardinal principles basing this kind of legislation—on the one hand, to prohibit strikes and locks-out; and, on the other, to provide an adequate remedy for the grievances causing those strikes and locks-out. Those are the true and essential principles which formulate themselves in my mind. We have no right, it seems to me, to take away a means of redress—whatever it may be, or of whatever character—in respect of grievances on the one hand, unless, on the other hand, we provide some other means of giving redress. Mr. B. R. Wise put it in this way in an article which he contributed to the National Review, some time ago—

An industrial dispute is a public nuisance to be restrained by law like any breach of the peace.

I should not, myself, have put the principle quite in that form, but Mr. Wise's sentence expresses and conveys to the mind essentially the purpose we seek. To accomplish that object, there can be no doubt—and we cannot disguise the fact—that we do interfere with the liberty of the workman as well as with the liberty of the employer.

Senator DE LARGIE.—Strikes have often been a nuisance to the public.

Senator Sir Josiah Symon.—That is exactly what Mr. Wise points out. Here I should like to say that a great deal of unnecessary comment has been made in respect of some remarks by the Chief Justice of New South Wales. With the permission of the Senate, I shall quote his words which embody his opinion of the effect of this legislation. But the question which always remains is—"Are you justified, to a certain extent, in interfering with individual freedom on the part of employers on the one hand, and employes on the other for the accomplishment of some higher object?" That is what it all comes back to.

Senator GIVENS.—All law is an interference with individual liberty.

Senator Sir Josiah Symon.—To a certain extent it is; and, therefore I think that the introduction of heat in reference to the language of Chief Justice Darley was unnecessary. His words embody a true description, but they do not deal with the opposite side of the question. They do not show the other side of the shield. They do not show how far that interference is within proper limits, or how far it is justified by the end in view. He said—

It is also beyond all question that the Arbitration Act, as enforced in this State, is an Act which is an abrogation of the common law.

Nobody can deny that.

It does encroach upon the liberty of the subject as regards person and property.

Nobody can deny that.

It creates new crimes unknown to the common law, to any previous statute.

Nobody can deny that. I may say that Chief Justice Darley seems to put the point admirably—

It interferes with the liberty of action of both employer and employe. It precludes the one from giving, and the other from obtaining, employment except upon terms settled by the Court. It has the effect of preventing persons from obtaining employment at their own specific calling, except [unclear: upon] imposed by the Court. It deprives the employer of the conduct of his own business, and vests the management in the tribunal formed under the Act, and it can prescribe terms of management, which, however injurious they may be, the employer must comply with, under penalty for any breach of their order.

That is, I think, a very fair summary. But it gae rise to a very great deal of animadversion at the time. I reproduce the passage in order to say that I think that that animadversion was rather misapplied and underserved; and that the true inwardness—if I may so express it—of these observations was perfectly within the competence of the learned Judge who made them, and that they really expressed no more than we may very well admit.

Senator MCGREGOR.—But he was expressing an opinion upon legislation which he was supposed to administer.

Senator Sir Josiah Symon.—And he had a perfect right to express an opinion on the legislation.

Senator FINDELEY.—Not a one-sided opinion, though.

Senator Sir Josiah Symon.—My honorable friend does not agree with me. I think the opinion is not one-sided.

Senator GIVENS.—The honorable and learned senator himself said that it revealed only one side of the shield.

Senator Sir Josiah Symon.—It is not one-sided as to the Arbitration Act itself. But it does not deal with the question whether this interference with liberty may not be wise and necessary, in order to attain some higher
end in the public interest.

Senator O’KEEFE.—Does not the honorable and learned senator think that Chief Justice Darley’s remarks created a wrong impression?

Senator Sir Josiah Symon.—I really do not think so. At any rate, they produced no wrong impression upon my mind, and I feel quite able to disentangle myself from any possible inference, such as honorable senators opposite seem to draw from them—If saw anything of the kind, which I do not. In New Zealand, in 1894, as I have explained, a Conciliation and Arbitration Act was passed. That was [unclear: succeed] by a consolidating measure. Upon that measure I should like to read a paragraph from a most interesting report by two gentlemen whom we have the honour of having as our colleagues—Senator Best, and Senator Trenwith—in 1899, as to the operation of the New Zealand Act. I shall quote one paragraph, not merely because of what they express as the result of their observations and researches, but because it contains an expression of opinion by a gentleman who is said here to be one of the largest employers of labour in New Zealand. It is a report on the system of dealing with the Unemployed, the Conciliation and Arbitration Act, Land Settlement, and various other matters of interest in that Colony. On page 13, I find this paragraph—

We made careful inquiries as to how the operations of the Act were viewed from both the employers’ and workmen’s stand-point and met leading representatives of each side. We were much indebted to the right honorable the Premier for arranging a conference for us with the members of the Court, Messrs. Thompson and Slater, representing the employers and workmen respectively, together with several members of the Board of Conciliation for Wellington, with whom we fully discussed the working of the Act. We were assured that the more reasonable class of employers regarded the Act as fairly satisfactory, but there were other employers, however, who complained they had not the same exclusive privileges of managing their businesses as formerly. The Act is certainly popular with the workmen. Speaking at a special meeting of the Dunedin Chamber of Commerce on the 19th October, 1897, to consider certain Bills then before Parliament, Mr. James Mills, the managing director of the Union Steam-ship Company one of the largest employers of labour in New Zealand, is reported by the Otago Daily Times to have said that, "personally, he thought the Conciliation and Arbitration Act was a very beneficent one. . . ."

Senator GRAY.—Has he not modified that statement since then?

Senator Sir Josiah Symon.—If he has qualified the statement in any way, I am not aware of it.

Senator BEST.—It is only very recently, if he has.

Senator Sir Josiah Symon.—In any case, I am merely reading the statement as it is given in this report, and I am sure that Mr. Mills, if he comes to know that I have alluded to it, will not think that I am doing him an injustice if I do not mention any qualification, if there is any.

Senator BEST.—I do not think so.

Senator FINDLEY.—The conversion has been the other way. Those who were opposed to this legislation at first, now be lieve in it.

Senator Sir Josiah Symon.—Probably it may be said that those who were called in to curse, remained to bless. The report continues—

"Personally, he thought the Conciliation and Arbitration Act was a very beneficent one, and one of the most important that had been passed, and he felt they were under a debt of gratitude to the present Government and Mr. Reeves for maturing the Bill and passing it in its present shape. Probably the measure was capable of improvement, and it would be improved from time to time, but he was sure that compulsory arbitration was the true solution of all labour difficulties."

The whole of the report is very interesting, but that is the passage which more particularly refers to the point we are now considering. In 1900 Western Australia legislated, and in 1991 New South Wales followed suit. Before I leave this brief historical summary of State legislation on the subject, I wish to say that the objection has been taken that legislation of this character is calculated to multiply disputes. That probably is true, but I do not consider that that is any demerit or defect. It brings to the surface disputes. Of course, "the means to do ill deeds makes ill deeds done." But that equally applies to good deeds. There might be many disputes which would not lead to strikes, yet why should they go unredressed? Surely a grievance, if it exists, should have an opportunity of being dealt with. It is better to settle it in some way or other than that there should be a sort of running sore, and a condition of permanent discontent in the minds of even the humblest of the workmen. I do not regard that objection as of any moment. There is a later Act in Western Australia to which I do not refer, but that, speaking generally, was the state of the legislation when Federation came along. The fundamental principle of our Federal union is that the States shall retain control of their social and industrial legislation. If it is intended that that principle shall be invaded in any way, that we shall take away from the States any portion of that power in respect of social and industrial legisaltion, it must be plainly expressed in the Constitution. Ours is not like the Canadian Constitution, which is what I may call a drag net king of Federal Constitution; it leaves of the constituent provinces only certain specific matters of control and
legislation, and sweeps into the Federal net everything else. Our Constitution is framed on the opposite plan and specifically withdraws from the States only those matters of national import which are to be dealt with by the Commonwealth in the national interest, leaving to the States everything else. With us the drag net, so to speak, is in favour of the States. The principle, therefore, which we have to apply, and which I think we all do apply, particularly in the Senate, which is the States House, is that we must, as far as we can, if there is an ambiguity or a doubt, give the benefit of it to the States, and not to the Commonwealth. That is the initial view. I shall offer two or three other considerations directly. It will be seen that this may involve a question of the interpretation of the Constitution and of State rights in a very important fashion. Whatever view we take, we here, as the representatives of the States as States, are especially charged to protect their interests and their powers of self government. We must be careful that we do not impinge on those powers and right, at any rate, unless we are satisfied that they will be protected somewhere else.

Senator TRENWITH.—But that consideration does not arise anywhere in this Bill.

Senator Sir Josiah Symon.—I think it arises in the inclusion of the railway servants.

Senator TRENWITH.—If a dispute extends beyond the boundaries of a State, it is in our power to intervene.

Senator Sir Josiah Symon.—I am obliged to my honorable friend for reminding me of that consideration, with which I shall deal presently. When the Convention sat, a great many matters were dealt with. It was urged in the first, as well as the closing session, that under certain conceivable circumstances, an industrial dispute in a State might fill the Commonwealth area; might overflow from the State of origin into another State, or other States. It was urged that by overspreading Australia it might assume a national magnitude, so as to be a menace to the nation, and that if that condition of things arose, it was desirable that the whole of the people, as distinguished from the people of one State, should deal with it. Therefore, it was proposed that, in the case of an overspreading dispute of that character, the Commonwealth Parliament should have the power to legislate. I was not in favour of the insertion of the provision in the Constitution. I never ceased to be strongly in favour of applying to these disputes some method of arbitration, but I was not in favour of the introduction of the provision into the Constitution. At the Adelaide session the proposal was defeated, but at the final session in Melbourne it was carried by a majority of only three. On that occasion I said, at page 189—

*If this is to be carried out, it will create the greatest possible difficulty and complication, not withstanding which all it does is simply to embody [unclear: za expression of] the sentiment of kindliness and [unclear: good] Is it the desire of the repre-[unclear: sentive] State that their industrial affairs [unclear: shall placed] under the control of the Federal authority.*

If that observation can be applied in connexion with all the ordinary industrial affairs, as we understand them, that is on the part of employers, whether individuals or companies, how much more will it apply in relation to the States and their own State enterprises?

Senator PEARCE.—And the honorable and learned senator recognised that there was a possibility of it applying to State enterprises?

Senator Sir Josiah Symon.—No; that never entered my mind.

Senator PEARCE.—Why bring forward the objection?

Senator Sir Josiah Symon.—What I had in contemplation was not State enterprise, conducted by the Government, but the industries of the State, in the ordinary sense of the term.

Senator PEARCE.—But the honorable and learned senator just said that he meant that to be included?

Senator Sir Josiah Symon.—No; I did not I was not in favour of the insertion of this provision. Because I felt, and I still think, that it will create difficulties. It will still give trouble in its application. It opens up a vista of litigation, which may be acceptable in some quarters, but not to the general body of the people. In opposing the insertion of this provision in the Constitution, I was in excellent company, because Mr. B. R. Wise took the same view as I did. I think my honorable friends will readily understand that we acted from no narrow point of view when I say that my friend Senator Dobson voted for its insertion and I ought to mention that Senator Trenwith, who voted for its insertion, joined in the debate with an ability which, if he will allow me to say so, he showed throughout the proceedings of the Convention. Well, there the provision is, and, being in the Constitution, it is part of the necessary equipment of the Commonwealth. It is our duty not merely to put it in force, but also to make it effective, if we can. This I regard as a machinery Bill, just as much as some of the other Bills which have been introduced. We may differ on the details, but it is [unclear: inclune] or may be, disputes which the parliament. Bill exercises the power, and makes it effective, but in making it effective care is needed not to overstep the line, or to come in conflict with the State jurisdiction or control. The provision, as it is contained in section 51 of the Constitution, reads as follows:—

Conciliation and Arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one State.

This Bill recognises in its definition clause that limitation. It is important that we should bear in mind that,
"Industrial dispute" means a dispute in relation to industrial matters . . . and extending beyond the limits of any one State.

The guiding and governing words which we ought to bear in mind, and to which I shall invite the attention of honorable senators in connexion with another question, are "extending beyond the limits of any one State."

Senator GUTHRIE.—Are they not the words "prevention and settlement"?

Senator Sir Josiah Symon.—It is a dispute beyond the limits of any one State, and a dispute of that character only to which the words "prevention and settlement" apply. That is a point in respect to which I desire to remove and possible misapprehension. Honorable senators must not cherish the illusion that this provision enables us to interfere with a dispute while it is yet within the borders of a State. I see that some discussion took place elsewhere on this point, and the words "likely to extend" were used. I venture to say that that is no part of the definition. When we apply our minds to the Bill in Committee, or at any other time, we should avoid running away with the notion that we are dealing with disputes that are "likely to extend" beyond the limits of a State. Extending beyond the limits of a State means that the dispute must have gone outside the borders of the State and into another before this legislation can touch it.

Senator DE LARGIE.—Unless we are invited to deal with a dispute before that takes place.

Senator Sir Josiah Symon.—I am obliged to my honorable friend for his interjection. There is a provision in the Bill which enables the Commonwealth Court to deal with disputes at the request of a State. Whatever the moral effect of that [unclear: mountness] doubt whether any State can shuffle off its own responsibilities in that way. I wish to be perfectly frank about this. The State, in its control of its own industrial disputes within its own territorial limits, must deal with them and settle them as best it can.

Senator GIVENS.—Could not a State appoint a Commonwealth Court to decide the matter for it?

Senator Sir Josiah Symon.—In my humble opinion, a Commonwealth Court has no power to deal with any dispute that is local—that is within the territorial limits of a State—even if requested by a State Court to deal with it.

Senator BEST.—On the principle that consent cannot give jurisdiction.

Senator Sir Josiah Symon.—That is the technical reason. I wish to put it quite clearly as my view—with all deference to any opposing views which may be stated—that the word "prevention" does not enable us to interfere with the industrial troubles of a State on the pretext that they may extend, or are "likely to extend," beyond its borders.

Senator TRENWITH.—How can these words apply if they do not apply in that way? Have they no meaning at all?

Senator Sir Josiah Symon.—They may or may not have some other application, because "prevention," as used in the Constitution, can never apply to a dispute until it has arisen.

Senator TRENWITH.—I think the honorable and learned senator made that point before.

Senator Sir Josiah Symon.—I made that point before. The honorable senator will remember that we were not in the Convention using words by plumb and rule. Everybody recognises that a Constitution is not bound in fetters with the rigidity of even an Act of Parliament. Honorable senators will see that whatever meaning is to be attributed to, and whatever effect is to be given to, the word "prevention," it must be an effect applicable to the kind of dispute to which it applies, namely, a dispute which has overspread into the Commonwealth area, as distinct from the State area.

Senator DOBSON.—The Convention had the maritime strike in view.

Senator GUTHRIE.—That could not possibly have been settled by any one State.

Senator Sir Josiah Symon.—In Committee, if I can be of any assistance to honorable senators, I shall place my services unreservedly at their disposal in dealing with some points may be suggested which may not arise now, but I am giving my views as fully as possible in submitting what I think is an elucidation of the Bill.

Senator GIVENS.—We shall make it as good a Bill as we can.

Senator Sir Josiah Symon.—Exactly, and I say I am going to help to do so. Then we come to the next thing which we have to do, and that is to provide for the settlement of these disputes. In making this as good a Bill as we can, we have to bear in mind what it is we are dealing with, namely, disputes extending beyond the limits of a State, because though you cannot prevent a dispute, you can prevent a strike by settling a dispute.

Senator DE LARGIE.—There is no restriction as to the kind of dispute—whether it arises under State enterprise or otherwise.

Senator Sir Josiah Symon.—That is a point on which we may not agree. My honorable friend will bear with me because I intend to deal with that in detail. I think it right to do so as it is one of the most important matters arising under the Bill. I am dealing now merely with what the Convention did. Once a dispute becomes national as distinct from State—as to territorial area, that is what it means, and not as to at nospherial disturbance—we apply the same provisions to it as we should apply if it were purely a State matter dealt with by a State. It
becomes Federal and national, and I point out that there is a parallel in one part of the jurisdiction of the High Court, where we have "controversies" as they are called between States. This is exactly in the same position. We are to give jurisdiction to this newly created tribunal in respect of disputes that have gone beyond the boundaries of a State and have extended to another territorial jurisdiction. Having made these general observations on the Constitution and the fashion in which the provision got into it, I may say that those of us who resisted its being put into the Constitution cannot be charged with doing so from any antipathy to the great doctrine of consiliation and arbitration in such disputes.

Senator GUTHRIE.—The honorable and [unclear: learned senator's] absolutely ineffective in any Inter-State dispute.

Senator Sir Josiah Symon.—Not at all. I was merely saying, in self vindication, that the opposition to the insertion of these words in the Constitution was not due to any antipathy to conciliation and arbitration, because associated with the opposition to their insertion were such men as Mr. B. R. Wise, who is, we know, the author and one of the strongest advocates of compulsory consiliation and arbitration in New South Wales.

Senator GIVENS.—Men who voted against their insertion may have done so from entirely different motives.

Senator Sir Josiah Symon.—What motive could Mr. Wise have had for voting against their insertion?

Senator GIVENS.—he might have had one motive, whilst some one else might have had another.

Senator Sir Josiah Symon.—I shall tell my honorable friend what I think the motive was. I think it was that we should be very guarded and careful about enlarging the interference of the Federal authority with State affairs. There was in the Convention a jealousy, and a justifiable jealousy, of Commonwealth encroachment upon State rights.

Senator WALKER.—Sir Edmund Barton, Mr. Justice O'Connor, and Sir Philip Fysh were also against it.

Senator Sir Josiah Symon.—In those circumstances, the provision to which I have been referring was inserted. I think, as honorable senators will see, that there may probably be difficulties yet. Quite irrespective of the provision in this Bill with respect to State public servants, the States may be brought into conflict by its operation in other regards. I do not wish to prophesy evil of any sort or description. I hope there may be none. I still, however, adhere to the view I entertained some time ago, that there are possibilities of difficulties which I hope may not arise, but that they exist I think now as I did then.

Senator GUTHRIE.—The honorable and learned senator will admit that disputes may arise which a State cannot settle.

Senator Sir Josiah Symon.—I am not very sure of that. I should not like to admit that now. I am rather inclined to think that State jurisdiction might settle practically everything. But now that we have this provision it is our duty to assume that [unclear: be] disputes which the States could not settle, and which may become national, and it is, therefore, for us to make this Bill as perfect as we can to deal effectively and justly with any such disputes. I do not propose to go through the various clauses of the Bill. That could not be necessary, as we shall have an opportunity to deal with them in Committee. I wish to say, generally, that the Bill is not intended, and will not give any benefit to individual employés. It is only as members of organizations that they can secure any benefit under this Bill.

Senator GIVENS.—It is based on organization.

Senator Sir Josiah Symon.—Quite so. The individual employé and the individual employer, except as defendants, are substantially excluded from its operation. Employers are debarred in just the same way as employés from bringing a dispute before the Court, unless as members of an organization. The Bill does not provide a means for the settlement of disputes between employers and non-associated workmen. Whatever differences there may be between them, there is no means provided by this measure for settling such disputes. It rests, as Senator Givens has very properly said, upon organization. I propose to hurriedly refer to some leading clauses, and then to deal with two very vital and most controversial provision before I close. The objects of the measure are set out in clause 2. They are—

To prevent lock-outs and strikes in relation to industrial disputes.

That involves, as I said in my introductory remarks, a reciprocal obligation on the part of the Parliament to provide some other remedy. The other remedy is—

2. To constitute a Commonwealth Court of Conciliation and Arbitration having jurisdiction for the prevention and settlement of industrial disputes;

3. To provide for the exercise of the jurisdiction of the Court by conciliation, with a view to amicable agreement between the parties.

4. In default of amicable agreement between the parties, to provide for the exercise of the jurisdiction of the Court by equitable award.

Then there is the provision to which Senator de Largie has alluded—

5. To enable States to refer industrial disputes to the Court, and to permit the working of the Court and of State industrial authorities in aid of each other;
Perhaps I may say, parenthetically, that the reason why I doubt the constitutional efficacy of that provision is that this Commonwealth Court and Commonwealth Legislation being restricted by the Constitution to disputes extending beyond the territorial area of a State, we cannot by legislation enlarge a power which is so limited.

Senator FRASER.—We must amend the Constitution first.

Senator Sir Josiah Symon.—We shall have to amend the Constitution first, it seems to me. Then the objects are further stated to be—

6. To facilitate and encourage the organization of representative bodies of employers and of employees, and the submission of industrial disputes to the Court by organization, and to permit representative bodies of employers and of employees to be declared organizations for the purposes of this Act.

7. To provide for the making and enforcement of industrial agreements between employers and employees in relation industrial disputes.

These are the objects. I pass by the definition of "industrial dispute" for a moment, because, to a controversial portion of that, covering the inclusion of public servants of the States, I shall refer presently. The first part of the objects which I have enumerated is carried out by clause 6, which prohibits anything in the nature of a lock-out or a strike. There is a penalty provided under the clause, but as honorable senators will find on referring to clause 50, it also involves certain disabilities in addition to the penalty set out in clause 6.

Senator PEARCE.—Particularly applying to employés.

Senator Sir Josiah Symon.—They apply to any person adjudged to be guilty of any contravention of Part II of the Bill, or of wilful default in compliance with any award, if the Court, in its discretion, so orders.

Senator PEARCE.—But the disabilities are of such of character that they will apply particularly to the members of a trade society.

Senator Sir Josiah Symon.—They do not apply exclusively to members of trade organizations, as my honorable friend will see.

Senator TRENWITH.—That is a committee matter.

Senator Sir Josiah Symon.—It is a Committee matter, and I am merely calling attention to the fact that it is proposed that the Legislature on one hand shall carry out its compulsory mission, so the speak, by enacting the prohibition of lock-outs and strikes, not merely under penalties, but under disabilities which honorable senators will find set out in clause 50.

Senator PEARCE.—Perhaps the honorable and learned senator will allow me to say that my object in calling attention to their special application to trade organizations is to rebut the statement that has repeatedly been made that no penalties are provided against workmen under the Bill.

Senator Sir Josiah Symon.—Senator Pearce is quite entitled to make that observation. No one can view the Bill with an unbiased mind without seeing the extent to which the penalties and disabilities go and the persons on whom they fall. Then we have to consider how the other part of the objects of the measure are to be given effect to the next thing is the constitution of the Court, and under clause II the Conciliation and Arbitration Court is to be appointed. In connexion with that appointment, I remind honorable senators that, under clause 35, the Court is to be constituted with the appointment of a President. The original proposal to have two permanent members of the Court, in association with the President, does not now find a place in the Bill. The remainder of clause 35 refers to the appointment of assessors, or experts, to assist the President.

Senator Lt-Col. GOULD.—They are not members of the Court?

Senator Sir Josiah Symon.—No. I think that assessors, along with the President, who will be a trained Judge, will be the more satisfactory tribunal. Put I may say—I do not propose any alteration—that I concur with a remark made by Mr. Deakin on this point. I do not know that it would be possible, but I think it would be better if the President of the Court were a high judicial officer, who was not at the same time a Judge of the High Court. Personally, I do not like the idea of—I was going to say, entangling, but I shall not use that word, because it might be misunderstood—transferring a Judge to an atmosphere in which questions of a totally different kind are dealt with—to an arena in which there are elements not ordinarily present in the High Court. Whatever we may say to the contrary, all of us recognise that in that arena there are elements of heat—

Senator FRASER.—Discord.

Senator Sir Josiah Symon.—I shall not say discord; but there are elements of heat and irritation, which, as I know from long experience, affect unsuccessful litigant in any Court, but which will be infinitely more in evidence when the litigants number hundreds or thousands. Smouldering resentment at an adverse decision on the part of an individual litigant is liable to assume much greater intensity under the circum stances which will proceed, accompany, and follow a reference to the Arbitration Court with a view to having a Judge, who, in this tribunal, shall be above suspicion—in whom there will be a most perfect confidence on all sides, but who, at the same time, will be limited in his powers by the particular class of cases—it is not desirable to run the risk of his being subject, in another tribunal, to complaints of an unpleasant kind, arising out of his duties in another
sphere. In this Bill, and, I believe in every Bill on the subject, there is a limitation as to the tenure of office, the term in the present case being seven years. A Judge of the High Court is appointed for life and good behaviour, but if, at the end of seven years, we, all being human, experience on one side or the other a feeling which we would not express but one of dissatisfaction, and he is not re-appointed—then all I can say is that such a Judge might go back to his other duties with a blemish.

Senator PEARCE.—That has not been our experience in Western Australia, where the present Chief Justice was the first Judge of the Arbitration Court, and there is no one more respected.

Senator BEST.—A big crop of disputes must be contemplated, if it is thought they will constantly employ one Judge.

Senator Sir Josiah Symon.—I was going to say that I hope it will be a long time before this Bill has to be put into operation. But when it is placed on the statute-book, we shall know its shape, and will be able, if necessary, to deal with that question. On the other hand, as Senator Best has said, we hope that the office will be a sinecure, because there would be great difficulty, even if we desired, in having a Judge exclusively for this Court.

Senator BEST.—The term of seven years would probably have to be altered if there were a separate Judge.

Senator Sir Josiah Symon.—I prefer, as I said before, that the Court should consist of a President and assessors, because there might be disputes in a particular branch of industry, about which one man knew a great deal, and another man knew nothing.

Senator BEST.—If either party demand assessors. I suppose they will be appointed; put can the Judge act alone?

Senator Sir Josiah Symon.—According to clause 35 a Judge may "without such application" appoint assessors. Having constituted a Court the Bill confers jurisdiction, and the President is charged with the duty of doing his best to bring about an amicable arrangement. Under clause 19 the Court is given cognisance of three kinds of disputes—first, those certified by the Registrar, which are quite independent of proceedings started by an organization; secondly, those industrial disputes submitted by organizations; and, thirdly all industrial disputes on which any State industrial authority may request the Court to adjudicate, and which, under the Bill, the Governor in Council of a State may refer to the Court.

Senator Lt.-Col. Goulde.—And the latter are what the Minister thinks the Constitution does not allow?

Senator Sir Josiah Symon.—No; what I doubt is the power of the State Court, under the definition clause, to refer a local dispute to the Commonwealth Court. The clause with which I am now dealing refers only to industrial disputes within the meaning of the Constitution. Then I call particular attention to clause 25, under which, it will be observed, the Court is not bound by rigid technicalities or by rigid rules of evidence.

Senator GUTHRIE.—A bit of law reform.

Senator Sir Josiah Symon.—As the honorable senator knows, this is a fundamental principle of the jurisdiction of the local Courts of South Australia, the State in which legislation endeavours to do everything according to the highest principles of justice. The clause provides—

_In the hearing and determination of every industrial dispute the Court shall act according to equity, good conscience, and the substantial merits of the case, without regard to technicalities—_

Senator GUTHRIE.—The language is beautiful!

Senator Sir Josiah Symon.—The language is not only beautiful but good. The clause proceeds—

_or legal forms, and shall not be bound by any rules of evidence, but may inform its mind on any matter in such manner as it thinks fit._

I beg honorable senators to bear that clause in mind when they come to consider a subsequent provision to which I shall refer. This clause is further amplified in clause 28, which declares that a decision of the Court "shall be framed in such a manner as to best express the decision of the Court, and to avoid unnecessary technicality."

We have here a Court which, I think, should confidence, and the functions of which ought to be successfully exercised. We have a Court which is expressly emancipated from those rigid rules and technicalities which, some honorable members may think, occasionally embarrass, if they do not frustrate, the ends of justice. I think I have said enough, without going into the other clauses, to inform honorable members as to the constitution and jurisdiction of the Court. Then clause 30 provides that when a State law or award is inconsistent with an award of the Court, the latter shall prevail. In another place a question was asked by way of interjection as to how far this clause applied, and I am disposed to think—and I suggest this for the consideration of honorable senators—that this clause will not apply, as many have supposed, to a decision of the Court given before a dispute has overspread into another State. That is to say, if there is a dispute with which a State Court has dealt effectively, I doubt whether, even if the dispute may subsequently travel into another State, this provision would enable the Commonwealth Court to practically reverse the decision of the State Court, or modify it in any respect. I mention these matters so that honorable senators may think them over, and not with
any view of laying down a rule. If any honorable senators are under the impression that the Commonwealth Court is to have power to plunge itself into conflict with a State Court which has already done justice in a particular dispute, they will probably find themselves under a misapprehension.

Senator MCGREGOR.—I do not think any one ever thought such a thing.

Senator Sir Josiah Symon.—The honorable senator is mistaken; but I am very glad to think that he agrees with me. Clause 38, which deals with the powers of the Court, refers to the principle of the common rule; but I do not propose to say anything on that subject now. The fundamental object is to prevent the frequency and multiplication of applications to the Court. Where the Court, in the exercise of its judgment, subject to the qualification imposed by the clause, considers it may bring in the other parties affected, so as to establish a common rule, it is given power to do so. In Committee, we may or may not discuss this point; but as the provision stands, it seems to me to carry out the intention of the Bill.

Senator PEARCE.—Does the Minister think the Court will have power to vary a common rule under sub-clauses (f) and (o)?

Senator Sir Josiah Symon.—It appears to me that every effort has been made, so far as this provision is concerned, to intrust the Court with the widest jurisdiction; and no jurisdiction can be complete in this or any other Court, if it has not the power, first of all, to make orders, and, next, particularly in a jurisdiction of this sort, to vary those orders as varying conditions require.

Senator GIVENS.—The Bill contemplates trusting a good deal to the discretion of the Court.

Senator Sir Josiah Symon.—It is not so much trusting to discretion, as giving the Court ample jurisdiction to deal fairly and justly with the conditions which are presented. If the conditions alter in the intervals between the making of the order and the application to vary, there should be power to reconsider that order. What could be fairer or more just? The orders of the Court are not to be like the laws of the Medes and Persians, absolutely immutable, because conditions may change and cause suffering to both employers and employees. We all desire that in those settlements there shall be evenhanded justice. Clause 51 provides for the registration of organizations, and this is hedged in so as to prevent injustice. Then come the provisions with regard to industrial agreements which are only important in this connexion in so far as they are to be intrusted to the Court. There are two other points to which I promised to refer at a little greater length. The first arises under the definition of "industrial disputes," and its reference to railway servants, or, as I shall call them henceforth, public servants. The provision referring to railway servants or others employed in industries carried on by or under the control of the Commonwealth or State, has given rise to a great deal of controversy. There are two classes—one consisting of railway servants, and the other consisting of persons employed in industries carried on by or under the control of the State, or any public authority constituted under the State. It seems to me that those two classes are specifically mentioned, because otherwise they would be outside the Bill. It probably is felt, or was felt—and it is well this should be distinctly stated—that unless they were expressly mentioned, the definition of industrial dispute," which is imported from the Constitution, would not apply to State servants. At any rate, it is expressly mentioned; and therefore we are in a position to deal with it, and it is not left to mere construction hereafter. That is a very grave question, and it appeals especially to the Senate as the States House. Whatever view we may take of many questions, as to party politics and so forth—whatever view view we may take as to issues which are constantly arising between us, and in which individual opinions and the views of parties may be expressed—this question, I think, may well be considered apart from party influences as much as possible. We should look upon it to some extent from the standpoint that we are the representatives of the States—that we are senators charged with the safeguarding of States rights.

Senator DE LARGIE.—Does the honorable and learned senator propose to strike out the clause?

Senator Sir Josiah Symon.—No, I do not propose to strike it out.

Senator MCGREGOR.—This is a "Yes-No" attitude.

Senator Sir Josiah Symon.—I do not take any notice of that interruption, except to say that my honorable friend occupies a position in this Senate which is only second to that which I occupy, and he may well refrain from interruptions which do not usefully assist the discussion. I am going to tell the Senate what I think of the clause, and what I propose to do. It is our duty to look at it from the point of view which I have stated, to consider the position which we occupy, and the redress which the States may have in respect of this provision, if they take exception to it, and whether that redress will be efficient or otherwise. There are three considerations. The first is, is it expedient? The second is, would it be operative? I mean in respect of the public servants of the States? And the third is, is it constitutional? I am going to take the same course as my friend Mr. Deakin took, and say that in my humble view as it originally stood in the Bill the provision was not expedient; and that the reasons applicable in respect of individual ordinary employers do not apply in the same spirit to a State or to State employment. Private employers are moved by self-interest in respect of their labour bargains. A State is not supposed to be moved by self-interest. It is under the eye and control of its representatives, and, in point of fact, the States servants are really their own employers.
Senator PEARCE.—In States where the railways have been handed over to Commissioners?

Senator Sir Josiah Symon.—I was going to say that is so where the employers are directly employed by the States. It is also the case, but not to the same extent, where they are under the control of Commissioners. A Railway Department is equally a State Department, and it is equally a department contributing to the revenue of the State.

Senator FINDLEY.—It is run an commercial lines.

Senator Sir Josiah Symon.—Of course it is run on commercial lines; but it is under the control of the people, of whom the public servants are part. It is under the control of Parliament, which is elected on a franchise which these public servants are entitled to exercise. I am merely pointing out that there is that difference, and that also it must never be forgotten that States servants—and these are considerations which affect the constitutional aspect, as well as the other, and that is why I am putting it now—enjoy privileges which other employes do not enjoy. The States offer inducements which cause State employment to be run after.

Senator GRAY.—Not necessarily so; there is the State factory in New South Wales for instance.

Senator Sir Josiah Symon.—I have in mind the railways at present. At any rate, there are certain privileges attached to the service of the State, and if in exchange it may be said that State servants suffer from a disability in regard to Commonwealth legislation of this kind, from which other employes do not suffer, they are recompensed in other directions. The position was exceedingly well put in a journal which lately referred to a very remarkable railway strike which took place in Hungary. The railway servants struck. But these railway employes also belonged to the railway regiments of regulars, and the way the strike seems to have been brought to an end was be their being called out and embodied as a railway regiment of regulars to put down their own strike. That was a kind of compulsory conciliation.

Senator PEARCE.—It was compulsory conscription, I should say.

Senator Sir Josiah Symon.—They had to serve; but I hope that that is not going to be the method for putting an end to strikes in Australia. I quote the case because it led to this comment by an observant journalist—

The event has been a most instructive instance of a kind of impasse which the nationalization of great industries is bound to lead to. When a workman is a servant of the State he loses his right to combine, and the ordinary tactics of labour become for him criminal offences. The difficulty is still graver under a popular Government—

and this is the remarkable thing which, I think, will commend itself to the minds of honorable senators—where the coercive power which opposes the workers is simply themselves organized in another form.

Senator GIVENS.—What is the name of that journal?

Senator Sir Josiah Symon.—The London Spectator. The second point to which I shall merely allude is, "Can a dispute in a State railway service extend beyond the limits of that State"? Now, I venture to say, with my friend, Mr. Higgins, who is a close student of the matter, that it cannot. I think that is not one of the conceivable conditions under which this measure will operate.

Senator GUTHRIE.—May not a dispute upon the railways of one State have a detrimental effect upon another State?

Senator Sir Josiah Symon.—I am glad that my honorable friend has made that remark, because it enables me to point out that the Constitution has not given us the power to legislate in regard to strikes in one State, which may have a detrimental reflex operation in another State.

Senator PEARCE.—Can we not imagine that the railway men of New South Wales might refuse to take goods any further than the border when they knew that there was a strike on the part of the railway men in Victoria.

Senator Sir Josiah Symon.—I do not know what we should call that.

Senator PLAYFORD.—It would be boycotting.

Senator Sir Josiah Symon.—That would not be striking, in the true sense of the word; it would be boycotting in sympathy; and every one agrees—I think I may say that the leader of the Opposition in another place, equally with those who dissent from him on other matters, agrees—that this Bill does not apply to what is called a sympathetic strike. And what my honorable friend Senator Pearce refers to would not be even a sympathetic strike; it would be a sympathetic boycott, to adopt Senator Playford's term. Therefore, I do not object to this provision in the form in which it stands in the Bill, for the reasons which I will mention. One of them is that I agree with Mr. Higgins, with Mr. Deakin—and, perhaps, with others, for all I know—that there is not likely to be any conceivable case to which it could apply. But I must ask honorable senators to consider the question also in connexion with its constitutionality in respect of what are the industries of a State. What are those industries to which this measure would apply? Does it mean water supply or deep drainage, such as we have in South Australia, or anything of that kind? When we come face to face with these matters, we shall find that there are considerations which perhaps will lead to some difficulties in settlement. In the course of the debate in another place, Mr. Deakin said that, in these matters—
The President.—The honorable and learned senator will not be in order in referring to what has been said during the session in a debate in another branch of the Legislature.

Senator Sir Josiah Symon.—I will not quote what Mr. Deakin said in another place, but I may remark that it was said elsewhere, that the High Court would decide, and Mr. Mauger interrupted, "Is not that a solution of the difficulty?" I think it is a solution of the difficulty. But I feel bound, at the same time, to give the Senate, very briefly, the benefit of the considerations which I think will operate to decide that it is not a constitutional provision. But of course, as say again, it is for the High Court to decide; and I personally adopt exactly the same course as I took up in connexion with Tattersall's, when, without dealing with the expediency of the question, and so on, said that I regarded our legislation as an unconstitutionall interference with the right of Tasmania, and that it was for the High Court to decide. I put it, briefly, in this way. Federation, honorable senators will recollect, is, as was said by Chief Justice Chase, the indestructible Union of Indestructible States. The States are sovereign States. They surrender only certain self governing powers, and they give up certain specific matters to the Commonwealth Government, keeping what they do not surrender. The States, of course—as the Commonwealth can also do—can bring their own servants under the jurisdiction of a Conciliation and Arbitration Bill. They can appoint any tribunal for the purpose of dealing with them. That is perfectly within their own powers. But we have no power by legislation to enlarge the scope of the Constitution or to take to ourselves powers which are not expressly given to us in the terms of the Constitution. What we are trying to do by this provision, is to bind the Crown, or the Crown's servants in another jurisdiction, in a sovereign country, over which, as far as this subject is concerned, we have no express control. The Crown is not bound unless it is expressly mentioned, even as regards the Commonwealth. How, then, can we make the Crown, as a State employer, pound without it being mentioned, and in another jurisdiction? We are asked to declare that the Crown, in another State, and in respect to its own servants, is to be an employer or an organization. That, it seems to me, cannot be constitutionally done. I call the attention of honorable senators to the matter, and it is for these reasons that I feel perfectly satisfied, as a representative of South Australia, to leave this question, instead of involving it where it ought not to be involved in the heat of party strife, to the decision of the tribunal which is charged under the Constitution with the duty of determining between the relative powers of State and State, and State and Commonwealth.

Senator Best.—The honorable and [unclear: earned] senator is willing to leave it in the Bill, although he believes it to be unconstitutionall?

Senator Sir Josiah Symon.—This is not the place to determine this constitutional question.

Senator Playford.—Yes, but the question [unclear: s:] if we have the power, would it be right and proper to exercise it?

Senator Sir Josiah Symon.—I have referred to two things, and it seems [unclear: o] me, as Mr. Mauger says, that [unclear: the] true solution of the problem is [unclear: the] decision of the High Court. I do not think that a matter of this kind ought to be left to the sport of heated party politics, when we have a tribunal specially constituted to determine it.

Senator Pearce.—It would place certain Government supporters in a very awkward position if the Government went back on the proposal.

Senator Best.—That is a most unkind remark!

Senator De Largie.—It might place the Government in an awkward position.

Senator Sir Josiah Symon.—I do not know about that. I am perfectly satisfied with the view I express, and with the position which I think will be taken. I wish to call attention to the fact that where in the Constitution it is expressly intended that a State enterprise shall come under Commonwealth jurisdiction, it is so stated certainly in the only instances to which I am able to refer. For instance, in section 51, I find these legislative powers—

XIII. Banking, other than State banking; also State banking extending beyond the limits of the State concerned, the incorporation of banks and the issue of paper money;

XIV. Insurance, other than State insurance; also State insurance extending beyond the limits of the State concerned.

Honorable senators will see the care with which the Constitution deals with the question of taxation, and the relative powers of State and Commonwealth in section 114, and in connexion with the railways of the States in sections 98, 99, 102, and 104.

Senator Pearce.—But is it any more correct to say that this Bill would bring the railways under Federal supervision than it would be to say that the municipalities are brought under Federal supervision, because the High Court gives a verdict which affects them?

Senator Sir Josiah Symon.—That is a very fair argumentative parallel to suggest; but it is not exact, because there is no comparison between this matter and the High Court dealing with municipalities on appeal on a question of imposing municipal rates under a jurisdiction expressly given to it by our Judiciary Act.
Senator PEARCE.—This Bill will give the power.
Senator Sir Josiah Symon.—But the Judiciary Act is within the limits of the Constitution, and we have the power.
Senator PEARCE.—It interferes with State institutions.
Senator Sir Josiah Symon.—It is a perfectly fair argumentative parallel; but it is not complete or exact. I think the honorable senator will find that it will befallacious as an argument on which to found as a constitutional right a power on the part of the Commonwealth Parliament to interfere by means of legislation such as this with State employes or servants.
Senator BEST.—The honorable and learned senator thinks this clause is unconstitutional, but does he think it expedient to insert it?
Senator Sir Josiah Symon.—On its expediency there may be very great difference of opinion, and if it will avail and is applicable, I shold be very sorry to see the provision struck out. If it will avail and is applicable, and there are disputes which will come under its operation, why shold it not be brought into play? I think it would be a monstrous thing, if it were a matter on which there was any doubt, that the doubt should be solved by its exclusion if it merely rested on the question of what one side or the other thought was expedient. And when we find that question of expediency made, as it must necessarily be made, a party question, it appears to me that in a Bill of this sort, which I look upon as a machinery Bill—we may differ as to details, but in essence it is a machinery Bill—imperiled by the party conflict.
Senator GIVENS.—It has led to the defeat of two Governments.
Senator Sir Josiah Symon.—On its details we should seek to make its ambit as large as we can consistently with what we may think to be the object we have in view.
Senator O'KEEFE.—The honorable and learned senator believes that it will be a good thing to leave the provision in the Bill if it is constitutional.
Senator Sir Josiah Symon.—Yes, if it is constitutional. I have been taunted here before with having said that something was unconstitutional, and with the Court having decided the other way. I dare say, sir, I am very often wrong in giving an opinion, but if I have an opinion it is my duty to express it, and I hope I may be forgiven if it turns out that I am mistaken. I should feel that I was not discharging the trust which is reposed in me, in common with other honorable senators, if I did not point out these things, and decline to take upon myself the obligation of deciding the question, and voting in accordance with that decision, when in the Constitution we have created a tribunal to decide it for us. The thing would be absurd; at any rate, it is a course which I do not intend to follow on this any more than I have done other occasions, whether my view is right or wrong. I may mention that on a former occasion my friend Mr. Kingston referred to the language of the Constitution, and said that the terms would have been much more elastic had it been possible.
Senator PEARCE.—Oh!
Senator Sir Josiah Symon.—I refer to this observation in connexion with the remark made by the honorable senator as to what the Convention intended. Looking at the jealous way in which it safe-guarded the railways in every respect from the Commonwealth, I am quite sure that if it had been proposed the Convention would not have consented to the introduction of a power giving the Commonwealth Parliament control over the public servants of the States. But whether it has done so or not, various reasons have been shown by Mr. Deakin in various places as to the possible unconstitutionality of this provision, which I do not intend to deal with now. The only other matter to refer to is preference to unionists. On one occasion my honorable friend, Mr. Deakin, used words which I cannot improve upon. He said—

_The granting of preference in itself is, undoubtedly, the most serious and most far-reaching power in the Bill. . . . Preference means the power of allotting employment to members of an organization, who can only obtain that priority of employment by the opportunity being taken away from others outside the organization to precisely the same extent._

As the matter originally stood, it existed without qualification, and without any rule being laid down in respect of the principles which the Parliament representing, or supposed to represent, the feeling of the country, had in view for the guidance of the Court. We now have it in a form in which it seems to me, after as exhaustive an examination of the views on both sides as I have been able to give, to literally express what every one thinks is a fair principle, namely, majority rule. And safe guarded in that way, and embodying in the Bill a principle on which Courts have already acted, I confess I am unable to understand the objections which have been taken to [unclear: it] by my honorable friends opposite, or the opposition which they propose to give it.

Senator PEARCE.—We shall try to explain it later on.
Senator Sir Josiah Symon.—I shall be most pleased to hear the explanation and there is no one whose mind is [unclear: moore oper] to conviction than mine.
Senator GUTHRIE.—Is that the Government mind?
Senator Sir Josiah Symon.—The Government mind is as it is in the Bill, and if any honorable friend can
suggest improvement in the same direction, I shall welcome any suggestion, do my best to consider it, and if I am not convinced, I hope honorable senators on the other side will be open to conviction from this side.

Senator PEARCE.—We hope that the honorable and learned senator will not forget his admiration for majority rule.

Senator Sir Josiah Symon.—I have never departed, I think, from that great principle.

Senator DOBSON.—Are they going to kill the Bill.

Senator Sir Josiah Symon.—I hear a suggestion to kill the Bill.

Senator DRAKE.—No, it was a query.

Senator Sir Josiah Symon.—I am glad that it was only a query; it must have been an aside which was not meant to be heard and commented upon.

Senator GIVENS.—Senator Dobson said the Bill was going to be killed.

Senator DOBSON.—I was only asking a question.

Senator Sir Josiah Symon.—From my point of view, of course, this question of preference does involve in its bare form the whole matter of freedom of contract, of whether, if unionists decline of work with non-unionists, the penalty of being out of work should fall on the non-unionists only. It covers the whole area of the States, with diverse conditions of climate, different scales of living.

Senator PEARCE.—And as to whether employers should have the right to boycott unionist workmen?

Senator Sir Josiah Symon.—There are all sorts of elements with which we shall deal in qetail.

Senator PEARCE.—I thought that the honorable and learned senator would mention that along with the other.

Senator Sir Josiah Symon.—I do mention it. The bald principle is said to be essential to the Act. I do not think it is. I was going to use the expression "unadulterated," and I hope I may be allowed to say, without offence, that unadulterated preference is not essential to the measure. I take an illustration which has been given before. There is in Victoria an Act which is really an Act for compulsory arbitration in relation to trade disputes. I refer to the Factories and Shops Act of 1896, in which preference.

Senator PEARCE.—And because of the absence of it many men have suffered persecution.

Senator FINDLEY.—That Act recognises only organized bodies.

Senator Sir Josiah Symon.—So does this Bill, and the honorable senator and I are therefore on the same plane.

Senator FINDLEY.—But under this Bill we consider some persons who are not members of organized bodies.

Senator BEST.—The Victorian Factories Act is not confined merely to organized bodies.

Senator Sir Josiah Symon.—Then we have here a conflict of opinion on the subject.

Senator FINDLEY.—Employès cannot get the benefit of the Wages Boards provisions unless they are members of organizations.

Senator BEST.—The Act has nothing to do with organized bodies in any way.

Senator Sir Josiah Symon.—I was under the impression which Senator Best confirms, because I had noted proceedings under the Act reported in the newspapers which certainly did not bring home to my mind the idea that the Act was confined to organized bodies. However, it embodies a system of compulsory arbitration in relation to the matters within its scope, and so far as I am aware it contains no provision as to preference as an element in its efficacy, and its efficacy has been great. It has been fought for, and, I think, it is valued highly in this State. That appears to me to afford a strong argument in support of the contention that we may have compulsory arbitration for the settlement of industrial disputes as to wages, and so on, without having preference as an essential.

Senator FINDLEY.—The analogy is hardly fair.

Senator Sir Josiah Symon.—It may not be. I am putting it with submission and argumentatively, and honorable senators who disagree will be able to show the difference. The illustration has been given before, and it struck me as very forcible. It is alluded to, I think, in the speech in which Mr. B. R. Wise moved the second reading of his Conciliation and Arbitration Bill in New South Wales, and in this connexion, as illustrative of the beneficent effects of a certain kind of compulsory arbitration. But what I desire to point out to honorable senators is that this Bill concedes preference. The only controversy is as to what are fair terms.

Senator PLAYFORD.—Why not leave it to the Judge?

Senator Sir Josiah Symon.—I will give my honorable friend the reason. One Judge may have a certain idea—

Senator PLAYFORD.—There are varying climates and varying conditions in the Commonwealth.

Senator Sir Josiah Symon.—I prefer in this matter to do what is done by the law, except in dealing with matters of fact, in connexion with every Court in the world. Every Judge who sits in any tribunal is guided in his decision, so far as matters of law are concerned, by principles which have been established for all time.
Senator GIVENS.—Musty old precedents, the half of them.

Senator PLAYFORD.—Judge made law.

Senator Sir Josiah Symon.—As my honorable friend suggests, it is Judge-made law, but Senator Playford knows that the common law of England is the finest body of jurisprudence in the world. It is the essence of the jurisprudence of two continents, and it consists of Judge-made law.

Senator GIVENS.—And under it you could lag a man for shooting a rabbit.

Senator Sir Josiah Symon.—Senator Playford must know that in establishing a tribunal, which is not to be governed by common law, we should lay down, so far as we can, as we do in the case of ordinary tribunals, the principles upon which the decision of the Court shall be arrived at. We cannot regulate it as to matters of fact, but we can as to matters of principle.

Senator PLAYFORD.—We do not propose to tell the Court what wages they shall allow.

Senator Sir Josiah Symon.—Of course not because that is a question of fact.

Senator PLAYFORD.—Then why tell the Court what preference it shall give?

Senator Sir Josiah Symon.—It is not proposed to tell the Court what preference it shall give.

Senator PLAYFORD.—It is proposed to tell the Court that it shall not give preference unless in certain circumstances.

Senator Sir Josiah Symon.—Unless a majority of those affected agree. That does not effect the giving of preference, but we propose to lay down the principles or conditions by which the Court is to be guided before it can give a preference in any case brought before it.

Senator PEARCE.—If it is asked for?

Senator Sir Josiah Symon.—It has to be asked for first, of course. Senator Playford should know that we are merely embodying in this Bill a principle by which we have been guided in dealing with all Courts.

Senator PLAYFORD.—It was not in the original Bill.

Senator Sir Josiah Symon.—It was not in the original Bill, but it is in this Bill, which is a great improvement on the original Bill, because it is a broad principle, laid down by other Courts after experience. It will comment itself quite as much to my honorable friend to learn that it is embodying a principle which has practically been asssented to by the leaders on the other side.

Senator GIVENS.—Where?

Senator Sir Josiah Symon.—I will give honorable senators chapter and verse for it. It appears to me that the question is really: What are fair terms? What is a fair principle by which the Court shall be guided? In what way and subject to what limitations shall the Court exercise that particular function, which is so far-reaching and important? I say that it is our duty, having regard to the difficulties of the Court in many other directions, owing to its new and complex jurisdiction, to make these governing lines as clear as we possibly can. There is really, as I have said no difference of opinion as to the basis or conditions of this preference. I make certain references simply with a view to substantiating what I say as to the views of the leaders on the other side. We know that this provision for a preference was inserted in the New South Wales measure. In an article published in the National Review for August, 1902, long after the New South Wales Act came into operation, Mr. B. R. Wise refers to the subject.

Senator GUTHRIE.—The honorable and learned senator would not class Mr. Wise as a leader on the other side.

Senator Sir Josiah Symon.—I think so.

Senator GUTHRIE.—I thought he was on the honorable and learned senator's side?

Senator Sir Josiah Symon.—I should have thought that my honorable friend opposite accepted Mr. Wise as their guide, philosopher, and friend on this question of preference. There may be no foundation for it, of course; but I was under some impression that that gentleman had some hand in framing the amendment which was proposed in substitution for the amendment submitted in another place by the present Minister for Defence, and which now appears as a part of this Bill. A very excellent piece of handiwork it was, although it does not appear to me to differentiate much between the insertion of the two amendments.

Senator PEARCE.—Our leader is Mr. J. C. Watson.

Senator Sir Josiah Symon.—No one can have a higher esteem for Mr. Watson than I have, or, in fact, than everybody has.

Senator FINDLEY.—That is why some persons tried to put him out of office.

Senator DOBSON.—He put himself out.

Senator GIVENS.—That is what the present Prime Minister will not do. It will take a team of bullocks to drag him out.

Senator Sir Josiah Symon.—This shows how party spirit will run riot even on such a Bill as this. I quote Mr. Wise then without any observation with respect to his views one way or the other. This is what he writes—

Should an employer in one of these industries attempt to introduce non-union labour for the purpose of
destroying unionism, a case would, I apprehend—

Even that he puts very gingerly—

arise for the use of this provision, just as the Court would certainly refuse to apply it in a case where the majority of the employes were nonunionist, or where the union was not able to supply a sufficiency of labour.

Senator Lt.—Col. Gould.—When was that expressed?

Senator Sir Josiah Symon.—In August, 1902.

Senator Pearce.—In the Legislative Council of New South Wales.

Senator Sir Josiah Symon.—No, this was written in the calm deliberation of the study.

Senator Pearce.—I thought, perhaps, it had been said to make the pill sweet for the New South Wales Legislative Council.

Senator Sir Josiah Symon.—No, this was long after the Legislative Council of New South Wales had swallowed the pill, and Mr. Wise was dealing with his own provision, which had no limitation at all. I, therefore, cite Mr. Wise as saying that the Court would refuse to apply the principle of preference in a case where a majority of the employes were non-unionists. Senator Givens asked me where these views were assented to by leaders on the other side, and I can quote an authority who said that the application of the principle would be almost confined to cases where unionists would practically represent the whole of the persons engaged in an industry. Of course, in such cases we should have a majority in favour of a preference in its highest sense, so far as the organization was concerned. I quote in this connexion Mr. Spence, who is reported to have said—

The Court's authority would be exercised for the most part, if not wholly, in regard to disputes in which large Inter-State organizations are involved. The unions that will come within the scope of this Bill are so strong that there are practically no men engaged in the same industries outside their ranks.

Mr. Spence is one of the most thoughtful men and highest authorities on these great questions; and, if the position be as he states, surely honorable members will agree that whatever qualification be imposed on preference, we should practically have unanimity of desire and unanimity of application.

Senator Playford.—And no preference is wanted.

Senator Sir Josiah Symon.—Of course, and the nearer we get to that condition of things the nearer we shall be to do no injustice to anybody. But does my honorable friend think that it would be fair, if there were two unionists and 500 non-unionists, that preference should be given to the former?

Senator Playford.—Certainly not.

Senator Sir Josiah Symon.—Then why not have a provision to that effect in the Bill? Why are we to allow a Judge, who may be here to-day and gone to-morrow, to give preference to a minority, while his successor may give preference only when desired to do so by a majority? Let us lay down a rule which he who runs may read.

Senator Playford.—But the Minister says that the Judges have already laid down a majority rule.

Senator Sir Josiah Symon.—And we propose to embody that rule in the Bill.

Senator Playford.—There is no necessity.

Senator Sir Josiah Symon.—But another Judge may come along and reverse the principle—another king may arise who knows not Joseph. Why does my friend sneer about Judge-made law, unless it is because Appeal Courts sometimes decide one way one day and another way another day? The honorable senator desires a clear and workable Bill, in which there shall be no confusion, and yet he refuses to embody a rule already adopted by the Courts. I find the late Prime Minister, Mr. Watson, stating—

In the great majority of cases a majority of the men employed in a given trade or calling are within the ranks of unions relating to it.

I regard that as an additional reason, not only for the decisions of the Judges in the past, but for embodying those decisions in the Bill, so that they may be known to employers and employes alike.

Senator Guthrie.—And every unemployed man in the Commonwealth will be considered as against unionists.

Senator Sir Josiah Symon.—We have to consider that we propose to declare that by an outside power one man shall be permitted to earn his bread and butter, while another man shall not be permitted.

Senator McGregor.—Is not that the case in the legal profession?

Senator Sir Josiah Symon.—Nothing of the kind. I think we ought to try and do justice to both sides.

Senator Guthrie.—We had lawyers working as non-unionists during the maritime strike.

Senator Sir Josiah Symon.—The first rule in the selection of a man by an employer, should be that the latter is free to choose a man on the ground of competency, and not because he has fixed to him some brand of a trade union.

Senator Pearce.—That is considered where preference is given, as shown by the words, "other things being equal."
Senator Sir Josiah Symon.—I was merely dealing with the interjection. I am perfectly willing—and I think my friends opposite ought to be delighted—to accept preference on the lines already adopted, and within the limits already prescribed.

Senator GIVENS.—The clause must be a bad one which needs so much special pleading!

Senator PEARCE.—We know the clause to be unworkable.

Senator Sir Josiah Symon.—I am only anxious that honorable senators shall know my views in order that they may assist in making the Bill as efficient as possible. Mr. Watson also authoritatively stated—

The practice in nearly every case in all Arbitration Courts has been to grant preference only when a majority reasonably ascertained are in favour of such preference.

That is all we have provided in the Bill.

Senator PEARCE.—It is not stated how the majority is to be ascertained.

Senator Sir Josiah Symon.—The words I have read I believe to be a true statement of the principle by which the Courts have been guided. No one admires Mr. Watson more than myself for his moderation and political wisdom. The honorable gentleman further said—

I am not so foolish as to anticipate that the practice laid down by the Arbitration Courts of New Zealand and New South Wales will be departed from by the Judges appointed to the Federal tribunal.

Nor do I; but I am going to take care that the Judges shall have no opportunity to depart from the practice. It is in the interests of all parties that there shall be a clear and defined enactment of this principle. Mr. Watson further said—and I take his statements as principles—

The Government do not desire that preference should be granted to minorities. The Court, if it followed the precedents which have been created in New South Wales and New Zealand, would be bound to interpret the words as implying a majority.

Senator PEARCE.—Is that the position which the Minister desires to maintain?

Senator Sir Josiah Symon.—But desire the honorable senator's vote.

Senator PEARCE.—Will the Minister indorse what the late Prime Minister said?

Senator Sir Josiah Symon.—I think the Bill as it stands carried out the principles enunciated by Mr. Watson.

Senator PEARCE.—Does the Attorney-General indorse what the late Prime Minister said?

Senator Sir Josiah Symon.—I have not quite finished, and I am using the late Prime Minister's words as part of my speech. I confess I do not possess the vocabulary to express those views with anything like the accuracy of the late Prime Minister.

Senator HIGGS.—The Attorney-General has spoken from a quarter to three to a quarter to six o'clock.

Senator Sir Josiah Symon.—I do not think that remark comes well from the honorable senator.

Senator HIGGS.—I withdraw it.

Senator Sir Josiah Symon.—All I say is that if honorable senators do not attach importance to the Bill, and do not want to hear my views fully, I shall be perfectly satisfied to conclude. Mr. Watson also said—

In New Zealand it has been insisted that the majority, so far as that can be reasonably shown, shall be shown to be in favour of the granting of a preference.

All that is in the Bill is simply an assertion of that principle of preference, but a rule is laid down for the guidance of the Court. To that rule no one, it seems to me, can justly take exception, and it is supported by the view of Mr. Watson.

Senator GIVENS.—Why did another place object to Mr. Watson's amendment?

Senator Sir Josiah Symon.—I was just going to ask why there should have been all this political carnage.

Senator GIVENS.—Because the present Government wanted office at any cost.

Senator PLAYFORD.—I cannot understand why Mr. Watson resigned office.

Senator Sir Josiah Symon.—And I share the honorable senator's astonishment. The late Prime Minister was not killed, out committed suicide?

Senator PEARCE.—Did he fall, or was he pushed?

Senator Sir Josiah Symon.—I do not think the late Prime Minister was "pushed" at all. The fact of the matter is, and I say it with all humility, that it was largely a fight over words without substance. [unclear: In
the] ages they did that kind of thing, and it was then called, I believe, logomachy. I thought we had outlived such contests; and it would seem that the late Government must have been made the [unclear: tool of some hair—splitting lawyer.]

Senator PEARCE.—so long as the rights of majorities are safeguarded, will the Attorney-General be satisfied?

Senator Sir Josiah Symon.—I think the Bill effects what everybody intends, and I prefer the words of the clause. I am with those who voted with the majority in another place—those who preferred the words now in the clause, rather than have others much more difficult of interpretation and application. I agree with Mr. Deakin, as I said before, in regard to the difficulty of the word "substantially," and so forth. The provision is that no preference shall be given unless the application is in the opinion of the Court "approved by a majority of those affected by the awards, who have interests in common with the applicants." I apologize, especially to my friends opposite, for speaking at such length; but the subject is so interesting that I had no idea I had been so long. Senator Playford referred to the word "Substantially," but I remind him that that is not the word in the Bill. It was in the other proposed amendment, and the difficulty as to how it would be interpreted shows the propriety of the rejection of the proposed amendment and the retention of the provision in the Bill.

Senator PLAYFORD.—After Mr. Watson had used the words quoted, why on earth did he not accept the other amendment? Why did he want to put in the word "substantially"?

Senator Sir Josiah Symon.—I really could not explain. That amendment introduces language much more calculated to created confusion, and to embarrass the Court. The provision of the Bill in the form in which—with the permission of the Senate—I shall endeavour to have in carried, will be open to no exception on the ground of difficulty as to proof. I agree entirely with Mr. Deakin and those who take the view that the principle to which I have already referred, with regard to doing away with all technicality and disregarding the rigid rules of evidence, will apply with regard to this us with regard to other parts of the measure, and that the Court will inform its mind—that is the language of clause 25—by any means in its power, and will, upon the information which it thus derives, come to the conclusion which it may think right. I again apologize to the [unclear: Se] for having occupied a longer time [unclear: that intended. There were other] which I wished to refer, but I do not propose to detain the Senate further at this stage.

Senator HIGGS.—I hope my interjection has not curtailed the honorable and learned senator's remarks?

Senator Sir Josiah Symon.—Oh, no; and, on the other hand, I hope that my honorable friend will not take the remark I made to him too seriously. I agree with the observation that this has been a very fateful measure. It seemed like a portent. It weakened and shook and Ministry. As my honorable friend, Mr. Deakin, put it, it rent that Ministry asunder. It has wrecked two more Ministries. There is only one catastrophe which remains for it to accomplish, and that is to wreck a Parliament. For my part, I fervently hope that that fatality at least may be averted; and in all sincerity I say that I hope we shall quickly see this measure in the quiet haven of the statute-book. Why it has been so fruitful of disaster I am really at a loss to know. But that, after all, may be a good omen. An accompaniment of warring elements at its birth may presage a power for good and a life of usefulness. That has happened before; I hope it will happen again. And I hope that it will happen in relation to this Bill, which is, at least, the symbol of a higher civilization and a more humane spirit. I think it is big with promise, I earnestly hope that it may also be big with fulfilment. Nevertheless, I trust that the day may be far distant when such a lamentable condition will arise as shall bring it into operation; because the bringing of this measure into operation predicates a dispute of a magnitude which none of us cares to foretell, and which, I think, we should shrink from seeing. At any rate, when that time comes I earnestly pray that it may be found adequate to all needs, that it may, as we desire, throw wide the everlasting gates of a great temple of peace within whose precincts passion shall be stilled, and no sound of oppression heard, and where the healing voice of justice shall pronounce only that which is right.

Legal Liberty

A Lecture delivered by the Hon. Dr. Findlay, K.C.
Attorney-General of New Zealand
Before the Philosophical Society, Palmerston North, on Thursday, April 21, 1910
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"Is there a Government in this country?” asked the Irishman in a well-known story, who, being informed that there was, promptly replied, "Then begorra I'm agin it." This attitude of mind is not exclusively Hibernian. Our race is in its blood and bone individualistic. The struggle demanded by a rough environment and early foes
endowed the Teuton with unusual energy and independence. This endowment was aided by a process of selection. The wanderings that brought our early ancestors to Western Europe and the British Isles provided that process. These migrations Westward, then as now, were migrations of the strong and intrepid souls. The others, as they always do, stayed behind. The Teuton becomes the Anglo-Saxon with a courage, enterprise and self-assertion which have made our nation what she is. For sixty generations or more, experience and struggle bred in our ancestors the fighting instincts, and the spirit so acquired is not easily or soon subdued. It accounts for the emulative individualistic stamp upon most of our customs, laws and institutions. It accounts at least in part for that impatience of State interference which has always been one of our conspicuous national traits. But this impatience is also a legacy of early government. Liberty is loosely defined as that freedom of speech and action permitted by law; but traced to their origin, it will be found that most of the great popular liberties we enjoy have been won for us by the people being very much "again the Government." Civic freedom, historically considered, has been the result of increasingly effective systematic resistance to monarchical or oligarchical despotism. The price of liberty with us has indeed been eternal vigilance. The injustice and oppression of even a far past accounts for many present popular prejudices. Among animals fear of former enemies long survives the cosmic struggle which engendered it, and even in our Anglo-Saxon nation, where the people and the people alone are the real rulers, there is a racial and traditional disposition to be "again the Government." It is true one reason for this is that the majority, even in the freest democracies, have not yet learnt to really feel the power of the State as their power, but the disposition of antagonism [unclear: t] which I have referred will. I believe, [unclear: be] lie John Stuart Mill's forecast that [unclear: a] the majority become more and [unclear: mo] conscious of their power, individual [unclear: li] rty will probably be as much [unclear: ex] to invasion from the State as it [unclear: no] is from public opinion. I need [unclear: no] say that those observations have [unclear: n] special local application. They [unclear: app] generally to all modern democracies [unclear: o] our Anglo-Saxon stock.


These definitions, while technically [unclear: ccurate] do not, of course, come as [unclear: a] revelation of new light, but this [unclear: ve] to the sphere of legal liberty [unclear: mands] some attention. We are told [unclear: lat] it is "the sphere of activity with-[unclear: a] which the law is content to leave alone." This derives all my rights, [unclear: a] berties and freedom from the law.

I enjoy them on sufferance. I am [unclear: ft] alone, not because I have natural [unclear: ad] inviolable right not to be [unclear: inter] with by the State so long as [unclear: a] am not injuring someone else, but [unclear: because] forsooth, the State "is [unclear: con] to leave me alone." That this [unclear: a] in final analysis the correct and [unclear: ly] view of the relation between the [unclear: late] and the individual even in a [unclear: odem] democracy is beyond question. [unclear: ad] yet how inconsistent with this [unclear: act] is that petulant impatience with [unclear: which] we hear people sometimes [unclear: de] and on the passing of a new law, What right has the State to [unclear: inter] with me?" it indeed cannot be [unclear: enied] that there is a widespread [unclear: un] feeling that we do not live [unclear: ad] move merely by leave of Caesar, [unclear: ad]
but] that somehow, or in some way, [unclear: a] State has and can have only a [unclear: rictly] limited power over its people and [unclear: at] the sphere of our liberties is not [unclear: efited] and circumscribed by the law's [unclear: ermission,] tacit or otherwise, but by [unclear: he] natural, inalienable and [unclear: indestruc] rights we have as civilised human [unclear: ings.] This was what was vaguely [unclear: it] when a man affected by a recent [unclear: atue] demands with emphatic indig-[unclear: ation]; "What right has the State to [unclear: terferre] with my British liberty in [unclear: his] way?" This feeling is a very [unclear: d] one. It is involved in a problem [unclear: which] has engaged thinking minds [unclear: a] the days of Aristotle, viz.—What [unclear: a] the true relationship between the [unclear: dividual] and the State?


- The individual is conceived as sub-[unclear: dinate] to the State;
- The great aim of all political [unclear: lought] is the formation of good [unclear: citi];
- Every social question should be studied primarily from the ethical and educational point of view;
- Wealth is not to be esteemed for its own sake or for the enjoyment it procures, but for the higher and moral and public claims to which it may be made subservient;
- The State therefore claims a controlling and regulating authority over every sphere of social life, including the economic, in order to bring individual action into harmony with the good of the whole.

But between Aristotle's and Austin's day many an attempt was made by different writers to first account for the fact of Government, and next justify or limit its supreme power. A short reference to some of these writers will show how old and deep seated is the feeling that men possess in civilised societies natural and indestruclible rights which no law can properly invade. This reference may seem to some unnecessarily academical, but I would remind those who are impatient of so-called academical treatment of social questions that it is to just that treatment that the greatest revolutions and social changes have been immediately or ultimately due, and nothing will illustrate this better than the theories of the writers to whom I now proceed to refer. The impetus they gave to democratic development affects us even at the present day. Beyond all doubt, says Professor Ross in his splendid work on Social Control, "the democratic movement in Western Europe arose out of the radical movement of thought in the 18th century, which discredited traditions by compelling them to submit their credentials at the bar of reason and justice." "Without Rousseau," said Napoleon, "there would have been no French Revolution.

To Hobbes, Locke and Rousseau and their theories modern liberty owes more than to the Baltic, Trafalgar or Waterloo. The pen of the philosopher has in the world's history been a more potent instrument of progress than the sword of the soldier, and it is impossible to estimate the influences of, for instance, Rousseau's teaching upon the national destinies of Europe. Hut probably without Hobbes and Locke we should never have had the "Contract Social." All three writers wrestled with the problem have just alluded to. All three try to define the true extent of the power of Government and the sphere of individual liberty. Why should the subject obey, and what are the limits if any, of that obedience? That was the enigma they each sought to solve. Hobbes, the father of English political thought, places the test of liberty in an imaginary contract.

He begins with the assumption that before the State was created all men were by nature free and equal. This freedom and equality, however, did not bring the millenium. He thinks or assumes that it produced incessant war between each and all, and that our early ancestors decided upon what might be called a peace at any price policy to escape from this ever-lasting disorder. Hence the whole community entered into a contract, and gave over to a person or a body of persons—a monarch or an oligarchy—all their natural rights for the purpose of establishing a sovereign power that could enforce law and order among them. This supposed contract contained no reservations. The transfer of rights was absolute, and the sovereign so created was absolute and irresponsible. Thus the people properly and in the most literal sense became subjects. Liberty is strictly such freedom as this supreme power chooses in its uncontrolled discretion to allow the people. So Hobbes taught in the "Leviathan," published in 1651 and few doctrines have had a profounder influence upon subsequent political thought and action that this. John Locke, coming some decades later, assumes the same imaginary contract as Hobbes, and also a pre-existing state of nature of a more peaceful character, but he inserts an important reservation in the contract. The people do not give up their natural rights absolutely and irrevocably to the monarch or oligarchy as in the former theory. The surrender is conditional upon the good behaviour of the sovereign, and if he is unjust, the people have a right to cancel the contract—in other words, to rebel.

Locke, in his "Essay on Civil Government," which was an elaborate defence of the Revolution of 1688, attempts to set up and define the limits of the State's power and the tests of justification for disobedience. These
are mainly the degree of protection given by the State to person, property and freedom of thought. What Rousseau made of this imaginary state of nature and this social contract every student of the French Revolution knows. He glorifies the state of nature pre-existing before the State arose, and his pre-social man is a happy, contented, healthy fellow; while the contract he enters into to establish a sovereign power is in essence very different indeed from that of either Hobbes or Locke.

Under Rousseau's social compact the people do not surrender their natural rights to a monarch or oligarchy or any other separate controlling body. They surrender their rights to all the people, and not to any other sovereign. "Each of us," he says, "puts his person and his faculties to a common stock under the sign of the general will, and we receive every member as an arable part of the whole. But from all control and power of Government tain great natural inalienable and destructible rights of man." Two main objects this theory—the first to place power in the people, and the ple only; the second to secure to each individual a wide sphere of liberty which could not be interfered with by the State. For the most part seau is not a thinker, but a dreamer; and yet to Rousseau may be traced many of the most remarkable features of the American constitution and to Rousseau you must go for the origin of the great social doctrines of to-day.

Rousseau published his "Le Contract Social" in 1762, but it was thirty years before his doctrines left the salon and the student's closet and wrote themselves on the streets of Paris in the horrors of the Revolution. And "academic" in the worst sense these theories really are. History, or science knows nothing of Hobbes' Locke's or Rousseau's state of nature or of the social contract. They are gratuitous assumptions bearing no kind of correspondence to an historical fact or social evolution. They help us, indeed, no better to arrive at any true on useful basis for State interference and individual liberty than the classic myths of Romulus and Remus. Edmund Burke, a practical politician and to some extent a philosopher, rejects with contempt Rousseau's whole system.

"Thanks," he says, "to our sullen resistance to innovation, thanks to the cold sluggishness of our national character, we have not yet, like the French nation, been subtilised into savagesed. In England we have not yet been come pletely disembowelled of our natural entrails. We have not yet been [draw] and trussed in order that we may be filled like stuffed birds in a museum with chaff and rags and paltry blueo shreds of paper about the rights man." We preserve the whole of [our] feelings still native and entirely unsophisticated by pedantry and infidelity."

I quote these remarkable words because they not only express with Burke's matchless power the artificiality of social construction and the false conception of human nature which pervade Rousseau's doctrines but they also illustrate the attitude of the conservative individualism of England to novel social doctrines That the influence of the Social has greatly affected modern conceptions of liberty there can be no doubt. That it has stimulated the world-wide democratic movement must be at once conceded; that it fostered and justified that doctrine of natural liberty which lies at base of "Laissez faire" is obvious; but that it has given us any solution of or helpful light upon the problem I am now discussing may, I think be fairly doubted. As Waitz says in his "Pontik," published in 1862, "The State is not something arbitrarily made it does not arise by a contract between men. The State grows like an organism, but not according to the laws nor for the ends of mere natural life, It has its foundations in the higher moral tendencies of man, and is a sphere for the realisation of moral ideas. It is not a natural but a moral organism." To the view here expressed I shall return later, when I shall endeavour to show that it contains the true criteria of State action and individual liberty.

Now I return tor a moment to the definition—that the sphere of legal liberty is the sphere of action within which the law is content to leave me alone. This, it will be observed, covers not only political and social action, but economic action. Our history makes so much more of political and social liberties that we are apt to forget the importance of economic liberties both in themselves and in their influence upon all other kinds of freedom. The changes which have taken place in our modern views of political liberty are mainly due to changes during the last one hundred years in national economic conditions. The future development of British liberty will depend more upon Britain's economic evolution than upon any other changes. Political and religious liberty have during the last eighty years been steadily widening to completeness, but throughout that period there has also been an unmistakable disposition to limit economic freedom. Now, as Cliffe Leslie points out, the whole economy of every nation is the result of a long evolution in which there has been both continuity and change, and of which the economic side is only a particular aspect. The intellectual, moral, legal, political and economic sides of social progress are indissolubly connected. In other words, it may be shown that the expansion in energy and area of popular political and social rights is mainly responsible for the limitation of economic rights, to which I have alluded; and the same action and reaction may be discerned throughout the development of all our liberties.
The text does not seem to contain any errors. It appears to be a continuous passage of historical and economic analysis, discussing the conditions of the early 19th century industrial revolution and the role of individualism in economics. The text references the works of Adam Smith and other economists of the time. The passage discusses the struggle against restrictive economic laws and the promotion of free trade and laissez-faire principles. The text also touches on the relationship between the state and the individual, emphasizing the importance of natural liberty and the role of individual initiative in economic progress.
wages up; there was no legislation to prevent long hours of child labour. Each in Adam Smith's phrase, was at liberty to bring his labour into the freest competition with everyone else.” The horrors of factory life at this time beggar description were housed like animals and fed like swine. Children of even five or six worked long hours. It is probably true that at no period in English history was the condition of the English labourer worse than during the first twenty years of this industrial era. Competition, in the absence of all old restraints, was absolutely unlimited. Adam Smith had demonstrated Nature's beneficent rule of absolute freedom—Malthus proved that by a law of Nature population tended to increase faster than the means of subsistence, and that therefore it was inevitable that some—and the weaker—must perish. Thus the capitalistic conscience of that day need feel no twinge. All was in harmony with Nature and her unchecked sway was in the long run man's best friend "Between Adam Smith and Malthus," it has been said, "the labourer was helpless—free (of course)—free to slave, free to suffer, and free to die." Resplendent results these of the glorious gospel of natural liberty! And yet the influences of that gospel die hard. The illusion of the beneficent rule of Nature has dominated men minds since the days of the Stoics. Transfigured, redressed, or deeply disguised, it still dictates most of our modern views of liberty, and yet so sturdy and penetrating a mind as Huxley's saw and declared that any modern nation that gave Nature's methods this free play must disappear from internal destruction. But the illusion of Nature's harmonies appeal strongly to those who look upon her face with a superficial eye. Under her reign each seems to have freedom and [unclear: no] favour—the race is to the swift and the battle to the strong. No artificial rule protects idleness or incompetence. Heredity bestows no immunities, and he, we are told, is happiest who lives in harmony with our Great Mother. But the so-called harmonies of Nature, so often pleasing to the senses or the fancy, are not produced by, nor do they produce, Rousseau's famous trinity of liberty, equality, fraternity. The cosmic process knows no moral ends. It knows not justice or mercy. It is a struggle at once ruthless relentless, persistent. This we are apt to forget. In summer hours and in some forest glade a musing mind, enjoying the stately fraternity of the trees, the melodies and joyous freedom of the birds and all the other voices of Nature, might well assume that life was in happy obedience to some loving rule divine. But alas! even in this forest grade, as Tennyson reminds us:

Nature is one with rapine, a harm
No preacher can heal.
The may fly is torn by the swallow—
The sparrow is speared by the shrike
And the whole little wood where I sit
Is a world of plunder and prey.

No; the cosmic process recognises no rights or liberties. Might through its whole field is right. Force, insensate and un pitying, holds undisputed sway.

I know this aittagonises our yearnings. We would fain believe that love is creation's final law, but candour and observation—the struggle in held and wood and sea and stream—compel us to the conclusion that "Nature, fed in tooth and claw, with ravine shrieks against the creed." But, it may be asked, even if the process be a grim one, does it not produce "the survival of the fittest." No doubt it does; but what is meant by the "fittest"? It is to the ambiguity of this word that Huxley ascribes the fallacy that Nature's methods can help mankind to perfection. "Fittest," he says, has a connotation of "best," and about "best" there hangs a moral flavour But in nature the "fittest" only those most fully adapted to the circumstances of their existence. What is "fittest" depends upon the conditions. If our hemisphere were to cool again "the survival of the fittest" might bring about in the vegetable kingdom a population more and more stunted, and humbler and humbler organisms, until the "fittest" that survived might be nothing but lichens, diatoms, and such microscopic organisms as those which give red snow its colour. While if the hemisphere became hotter our valleys would become uninhabitable by any animated beings save depends those that flourish in a tropical jun-gle. In human societies the law of Nature shows itself in the tendency of the strongest and most assertive to tread down the weaker, and we can measure a nation's advancement by the degree to which its laws limit or repress this tendency. This is put by Huxley in these words: "The influence of the cosmic process—that is, of Nature's laws on the evolution of society is the greater the more elemental y its civilisation. Social progress means a checking of the cosmic process at every step, and the substitution for it of another which may be called the ethical process, the end of which is not the survival of those who may happen to be the fittest in respect of the whole of the conditions which obtain, but of those who are ethically the best.” The moral processes by which human improvement can be achieved are antithetic to Nature's process, the characteristic feature of which is the intense and increasing struggle for existence. Nature's method is to force adjustment on pain of extinction with her current conditions. The moral or ethical method is to adjust circumstances and conditions to the needs of the higher type we desire
to create. The first step in this direction is the elimination of the cosmic struggle for existence by removing or preventing the conditions which give rise to it and this step requires stringent and numerous restrictions upon the belauded natural individual liberty of the orthodox economists.

The influence of John Stuart Mill's work on political thought for the last sixty years has been incalculable, and of all his work his views of liberty and of the relation between the individual and the State, although not in any part essentially new, have probably had the profoundest effect. These views still represent orthodox individualism. In his classic work "On Liberty," Mill states his doctrine thus:

"The object of this essay is to assert one very simple principle, as entitled to govern absolutely the dealings of society with the individual in the way of compulsion or control, whether the means used be physical force in the form of legal penalties, or the moral coercion of public opinion. That principle is that the sole end for which mankind are warranted individually or collectively in interfering with the liberty of action of any of their number is self-protection; that the only purpose for which power can be rightfully exercised over any member of a civilised community against his will is to prevent harm to others. His own good, either physical or moral, is not a sufficient warrant. He cannot rightly be compelled to do or forbear because it will be better for him to do so—because it will make him happier, or because in the opinions of others to do so would be wise or even right. These are good reasons for remonstrating with him, or reasoning with him, or entreaty him, but not for compelling him, or visiting him with any evil in case he do otherwise to justify that the conduct from which it is desired to deter him must be calculated to produce evil to someone else. The only part of the conduct of anyone for which he is amenable to society is that which concerns others. In the part which merely concerns himself, his independence is of right, absolute. Over himself, over his own body and mind, the individual is sovereign."

Now, I invite those who desire to see how this doctrine falls to pieces under a close analysis to read James FitzJames Stephen's "Liberty, Equality, Fraternity." You will remember him as Lord Stephen, one of our greatest judges. I do not pretend to be able to add anything to that splendid and exhaustive criticism. The principles and assumptions stated in Mill's book are as follows:

- The sphere of one man's liberty should be limited only by the necessity of preventing harm to others;
- Unless his conduct injures someone else it should be absolutely free;
- No man can be in any way coerced for his own good or improvement;
- The mass of people over 21 are in civilised countries in the maturity of their faculties;
- The doctrine does not apply to children or young persons below the age of 21;
- It does not apply to backward states of society in which the race may be considered in its non-age;
- It applies only to nations which have attained the capacity of being guided to their own improvement by conviction or persuasion, that is, the individuals of which are capable of being improved by free and equal discussion;
- If a people have not attained this capacity, then a ruler full of the spirit of improvement is warranted in the use of any expedients that will attain an end perhaps otherwise unattainable;
- All advanced nations, including our own, have attained this capacity.

Now it will be observed that Mill's doctrine applies to coercion not only by law, but by public opinion. So that, even in the domain of morals, a man is to be free to indulge himself as he likes so long as it cannot be shown that he is injuring someone else. Stephen shows that this system of liberty "is violated not only by every system of theology which concerns itself with morals and by every known system of positive morality, but by the constitution of human nature itself." I do not propose to discuss this part of Mill's doctrine. I confine myself to the consideration of legal coercion. Mill's system forbids (inter alia) any such coercion—

- For the good and improvement of the persons coerced;
- For the alteration, establishment and improvement of social institutions customs or conduct;
- For making alterations in the existing forms of Government.

But to forbid such coercion is simply to forbid progress. "All the great political changes which have been the principal object of European history for the last three centuries have been cases of coercion in the most severe form, although a large proportion of them have been described as struggles for liberty by those who were in fact, the most vigorous wielders of power."

But Mill's whole doctrine, and, indeed, the teaching of the whole of his school of natinal liberty, are based upon a false assumption, and it is this—that in all the countries which we are accustomed to call civilised, the mass of adults have so much self-control, are so well acquainted with their own interests, and are so me disposed to pursue them, that no pulson or restraint put upon any thing them by law for the purpose of noting these interests (including the moral improvement) can really mote them. If this assumption true, Mill's doctrine would be empty truism, but if it is not to it falsifies the entire system. ligent and well-directed compulsion admits is proper in the case of ward races—it is also proper in case of youths up to the age of Then, it seems, it
must [unclear: sudden] cease. As if men and women [unclear: was] not often "but children of a [unclear: la] growth," and some form of [unclear: coere] were not as necessary to their well-[unclear: being] as in the case of schoolboys. Mill's assumption is that "free and equal discussion" can effect all the improvement of which men and women are capable. They are thus all highly national animals under complete self-control, to whom if by free and equal [unclear: dispation] a certain course is logically proved to be right it will be promptly followed. But what is wanted for social improvement is not so much precept or reasoning as conduct. Deeds not words. Morals have often been worst when moral teaching was best, as Rome in her heyday showed. It is not to know the right but to do it that human nature finds so difficult. How little of man's misconduct is really due to want of knowledge? how much to wickedness of weakness which coercion alone can check? As Stephen points out: "Of ten thousand people who get drunk is there one who could say with truth that he did so because he had been brought to think after 'free discussion' that it was wise to get drunk? Would not every one of the ten thousand, if he told the real truth, say in one dialect or another: 'I got drunk because I was weak and a fool, and could not resist the immediate temptation?'"

I am not, it must be observed, depreciating or overlooking the great value of moral suasion. I am meeting the contention that under a system of natural liberty suasion along can be relied upon to effect moral improvement. Surely it is clear that the degree of liberty which should be allowed an individual is the effect its exercise has, not on himself alone, but on general well-being, and that the degree of liberty which will really benefit a people depends upon the use the mass or the majority of them make of it. Freedom in the few or the many whose use tends to retard progress—to demoralise or pauperise the individual himself or large sections of the community—is not a blessing but a curse. It matters not whether this freedom is in public or in private life, or in the political, social or economic domain of human action. "Men," Mill's great critic says, "are so constructed that whatever theory as to goodness and badness we choose to adopt, there are and always will be in the world an enormous mass of bad and indifferent people—people who [unclear: defferately] do all sorts of things which the ought not to do, and leave [unclear: undone all] sorts of things which they [unclear: to] do." Estimate the [unclear: properly men] and women who are [unclear: fish] sensual, frivolous, wicked, idle, [unclear: absolutely] commonplace and wrapped up in the smallest of petty routines, and consider how far the freest of free discussion is likely to improve them. The only way by which it is practically possible to act upon them at all is by compulsion or restraint. Whether it is worth while to apply to them both or either I do not now enquire. I confine myself to saying that the utmost conceivable liberty which could be bestowed upon them would not in the least degree tend to improve them. It would be as wise to say to the water of a stagnant marsh, "Why in the world do not you run into the sea? You are perfectly free. There is not a single hydraulic work within a mile of you. There are no pumps to suck you up, no defined channel down which you are compelled to run, no harsh banks and mounds toconfine you to any particular course, no dams and no flood-gates; and yet there you lie, putrefying and breeding fever, frogs and gnats, just as if you were a mere slave!" The water might probably answer, if it knew how: "If you want me to turn mills and carry boats, you must dig proper channels and provide proper waterworks for me." In other words, provide the conditions of progress and improvement to which I am compelled to conform. These words, it will be remembered, are from the pen of a strong and striking personality—one of the greatest lawyers and judges of recent times.

Again, Mill's system of liberty may be assailed on another broad ground. Shortly put, his system teaches that men should be allowed both in the domain of law and morals to do as they please so long as they do not injure others. Now, what is meant here by "injury to others?" If it means prejudicial to the interests of Society, then obviously all conduct of an anti-social character such as wasteful extravagance and gross intemperance, might be restrained, and the strictest social control justified. This, however, is clearly not Mill's view. The conduct from which along a man may be compulsorily deterred "is that which is calculated to produce evil to someone else," and as such conduct is in the vast majority of cases, even where we call the offence a crime, an invasion of some legal private right, the doctrine substantially means that a man's sphere of legal liberty should be circumscribed only by the legal duties he owes definite or definable persons. This view reflects that spirit of liberty which says that so long as a man interferes with no one else's right he should be allowed to go to Hell his own way if we wants to. This doctrine is still, in theory at least, the dominant one. It is the basis of orthodox individualism, and of most of the arguments against increasing social control for moral improvement. It has been strenuously relied on to oppose statutory regulation of the drink, gambling, and other social evils; of public health, of food adulteration, of monopolies of all kinds, of the hours, conditions and wages of shop and factory labour. It is opposed, and expressly opposed, to all legal control which aims primarily at the good of the person affected. It forbids social improvement as the immediate aim of the coercive methods of the law such a doctrine of liberty time has shown us is false. It proceeds, we see, upon two great fallacies—the first, that the adult population of a civilised country have in all their actions that full measure not only of intelligence but of self-control which induces them to order their lives upon the lines of their best permanent welfare; the second, that if conduct is not injurious to the right of definite persons it cannot be prejudicial to the permanent welfare
of society as a whole. I have already dealt with the first fallacy. I now propose to discuss the second. In large measure this fallacy springs from the teachings of the school of natural liberty, from the Jaissez faire and the laissez passer of the physiocrats and their later English and French successors. These doctrines were not unsuited to the agricultural and pastoral conditions of those days. The freedom you may, from the point of view of the community, allow to isolated farmers you cannot allow to dwellers in a crowded city. One need not illustrate this further than by a reference to a modern city's by-laws. What I may do upon, bring upon, or build upon my land in a city is circumscribed in a hundred ways, quite unnecessary in the country. I may not in certain areas build in wood. I may not keep pigs or many other things. I may not expectorate upon the pavement. I may not let my chimney catch fire. I may hot loiter in the street. If my home or shop becomes so dilapidated or decayed that it may affect health, it must be pulled down. The welfare of the whole requires this increasing limitation of the freedom of each. Again, reflect upon upon the independence and self-supplying ability of isolated farmers, and contrast it with the complicated web of independence between the people in a city. There in almost the whole round of daily life, in all its wants and activities, there is this mutual dependency. A milkman gets drunk quite respectable in his own house and fails to deliver milk to his customers next day. The butchers close their shops for two or three holidays in succession without sufficient notice. The bakers go on strike. The trams cease running. The gas or electric light workers stop work and suddenly leave the street and home in darkness. In none of these cases need there be any infringement of the rights of others, and yet need one emphasise the injury to a community by being suddenly deprived of milk, meat, bread and light? Instances to show the same thing might be multiplied indefinitely. Modern society is not merely a collection of unrelated units. It is based upon the mutual dependence of its constituents, and its life and progress demand such social control of its constituents as will first equip them for their duties of citizenship in its widest sense and then compel them to perform these duties. This view is obviously in opposition to Mill's assumption that the welfare of society is best promoted by the widest individual freedom, and by allowing each to pursue his own ends in his own way. Under his system, to promote general welfare the State must be as passive as possible, for all State action involves some interference with private right, and the whole duty of the State lies in the protection of these rights. The British Museum, as Stephen points out, is a monumental infringement of Mill's rule, since to maintain that national institution the State must by law take some portion of people's property in the shape of taxation. Thus strictly the British Museum should be suppressed by the police. Indeed, the logical result of this doctrine is administrative nihilism. Its conception of the State is that of a majestic policeman, and the whole end and aim of its functions that of putting twelve good men into a box to protect legal rights. This is still the theoretic basis of British liberty, first used over a hundred years ago as a genuine policy of progress, and fifty years later, under the new industrialism, as a policy of despotism and degradation.

From all this misconception as to the promotion of general welfare, from natural liberty and the apotheosis of individual rights, we are steadily going back to Aristotle. He taught that the State had educative and reformative functions, that it was its duty to make good citizens.

In this view the character of the State is changed from policeman toparent. The end and aim of Government is changing and has changed from police and other legal protection to providing the conditions which will promote general welfare. The old method was a survival of the fittest—that is, of those who could best adapt themselves to, or make the best of, the current conditions produced by natural freedom. The new method is to limit that freedom and devise and provide by law or science such conditions as will improve the moral and material welfare of the people as a whole. This involves, as required, both a kinder and a firmer collective hand.

If the State is to provide the path, it must see that it is taken and, if necessary, compel its use. Some modern nations furnish their people with free schools, but they also punish parents who neglect to send their children there. Under prudent domestic Government, discipline is as necessary as opportunity for the welfare of the family. The excess or absence of either will do harm, and the same is true of the paternalism of the State.

In this changing conception of the State's functions, private rights and liberties must be substantially affected, as I shall shortly show. Meantime, let me say that such prudent social control as I am indicating should produce neither the evils of unrestrained self-seeking found under natural liberty or the regimentation of revolutionary Socialism. In approving of this conclusion, Huxley says: "In this business of the Government in that elementary polity a family, the people who fail utterly are on the one hand the martinet regimentalists, and on the other the parents, whose theory of education appears to be that expounded by the elder Mr. Weller when he enlarged upon the advantages which Sam had enjoyed by being allowed to roam at will about Covent Garden Market from babyhood upwards. Individualism pushed to extremes in the family is as ill-founded theoretically and as mischievous practically as it is in the State, while extreme regimentation is a certain means of either destroying self-reliance or of maddening to rebellion. And so when we turn from the family to the aggregate of families which constitute the State, I do not see that the case is substantially altered."

The doctrine is already widespread that the proper relation between the State and the individual is at least
analogous to that of an intelligent parent to his family, and it is being increasingly seen that the system of
natural liberty is a dogma that over looks the extent to which the ethos in men's hearts must through the State
control the cosmos, if human society is to rise to a higher civilisation.

I have said that this sublimation of the State from policeman to parent involves modifications in all
conceptions of rights and duties—in other words, of legal liberty. Once it is conceded that the law may compel
me prohibit me, punish me, or tax me, not only for the protection of legal rights, but for the purpose of
improving me or of providing the conditions by which others to whom I owe no legal duties may be improved,
the whole doctrine of liberty I am here attacking becomes a discredited dogma. The rights formerly and under
Mill's doctrine so sacred and paramount, lose their inviolabel sanctity and supremacy, and become subsidiary to
the needs of parental schemes of social progress. We have so long knelt at the throne of individual rights that
this dethronement stated as a general principle sounds like treason. It threatens, it would seem, our cherished
private freedom, and makes for oppression. We talk with bated breath of individual liberty. Like the "Om" of
Oriental creeds, these words have acquired the attributes of idolatry. They have become blessed like
"Mesopotamia," and all that is often deemed necessary to discredit a policy of social progress is to show that it
infringes or limits individual liberty. Let us deidolise this phrase if we want a clear perception of the respective
rights and duties of Man and the State. What gives, for instance, such special sanctity to individual rights of
property? The inherent justice of their origin? Hardly. When the great bulk of the acquired wealth of England
was not earned by its owners, but by inheritance, and when a Mr Paten is free to corner wheat and thus extract a
million sterling from the pockets of the people! Is, then, this sanctity due to the ideal equality of such rights?
Scarcely! While pinching poverty is everywhere contrasted with colossal fortunes! Surely, then, this sacred
regard is owing to the pre-appointed harmony and beneficent operation of the law creating and protecting these
and other individual rights? By no means! Since Huxley could forcibly and truthfully declare in his essay on
"Government" that: "Even the best of modern civilisations appears to me to exhibit a condition of mankind
which neither embodies any worthy ideal nor even possesses the merit of stability. I do not hesitate to express
the opinion that if there is no hope of a large improvement in the condition of the greater part of the human
family; if it is true that the increase of knowledge, the winning of a greater dominion over Nature which is its
consequence, and the wealth which follows upon that dominion ae to make no difference in the extent and
intensity of want, with its concomitant physical and moral degradation among the masses of the people, I
should hail the advent of some kindly comet which would sweep the whole affair away, as a desirable
consummation. What profit is it to the human Prometheus that he has stolen the fire of heaven to be his servant,
and that the spirits of the earth and of the air obey him, if the Vulture of pauperism is eternally to feed on his
very vitals and keep him on the brink of destruction?" Certainly in the old world, of which these words were
written, the gospel of he sanctity of individual rights and liberty as the road of progress has not brought the
millenium. There is, indeed, in thelight of its results something almost ironical in the doctrine that general
welfare is best promoted by the State confining its functions to the protection of the rights and liberties of
individuals. General welfare can be measured by the proportion of the whole population which can be fairly
described as leading healthy, industrious, moral, comfortable lives. I need not here discuss what this proportion
is in old world countries, but let us see who have the rights whose protection we are told is the sole purpose of
the State and the true path to wider well-being.

To do this, let us clear the ground by some understanding of what is really meant by "rights" in the strict
and proper sense. A "rights" is an interest respect for which is a duty and disregard of which is a wrong. There
can be no "right" without a corresponding duty; no duty without a corresponding right, any more than there can
be a husband without a wife or a father without a child. For every duty must be towards some person or
persons, in whom, therefore, a correlative right is vested. Conversely, every right must be a right against some
person or persons, upon whom a correlative duty is imposed.

Now it is clear from this that the more rights a man has the more duties are due him by others, while the
fewer rights he has the fewer duties will be due to him. If he have no rights, as in the case of a slave, no duties
are due to him. But what "interests" do "rights" imply? In a free country rights consist mainly in the interests a
man has in respect of his person and reputation, and interest in respect of things. A man has a right not to be
killed, injured, assaulted, wrongly arrested or defamed. But these are not "interests" upon which a man may
live. He cannot thrive upon his right to not being killed or wrongly arrested. A man may have all these rights
and yet starve. They are of real value to him for the purposes of existence only in so far as they enable him to
exercise or acquire rights over things—that is, over some kind of property—food, wages, or the soil. It is these
latter rights that are by far the most important of all legal rights in point of number and market value. Hence in
a civilised state the rights the law has in fact chiefly to protect are the rights of property. To further elucidate
this let us substitute "liberties" for rights.

My legal rights are the benefits I derive from legal duties imposed upon other persons. My "legal liberties"
are the benefits which I derieve from the absence of legal duties imposed upon myself.
Thus "right" marks the possession of the interest; "liberty" my legal freedom to use or enjoy it. I have a right over my estate, and therefore I am legally free to cultivate it.

Thus it will be seen that liberties and rights are strictly correlatives, and that the fewer liberties he possesses. But the "liberties" correlative to rights over things are much productive of profit than the "liberties" correlative to rights to personal freedom and reputation. I may use my right to walk the street without being assaulted, and use it eight hours a day for twenty years and yet gain nothing by it but an appetite, which I have not the means to satisfy.

What, for instance, are the "liberties" of the great mass of the people in the cities of England? Then we are told that there are in London about two million people who do not know here next week's food is to come from. They have no property. Their rights do not expose them to the evils of high living. They have a right not to be killed—a right not to be injured, assaulted, wrongfully arrested or defamed. These rights cannot be taken into the market, like a right to a house in Belgravia. You cannot [unclear: aise] a loan on them. The "liberties" of these people are, as I have shown, the correlatives of their "rights"; and what are their "liberties"? They are free to walk the streets—so long as they keep moving; but being neither land-owners nor tenants, the street or some other public place, and that alone, is where they have any legal right, or, in other words are legally at "liberty" to be. The great mass of the poor in old world countries, who are without property of any kind, have few rights which require the protection of the law. Gain or other advantage is the great incentive to breach of rights—be they in respect of property or person—but what gain or advantage could be derived, for instance, from infringing any rights the London poor have? But contrast with their rights those of a city millionaire he has rights of every description and in every direction. Rights to had estate to personal estate, rights of action and rights to the services of others. All his investments and wealth may be exercised in his rights. He is a millionaire of rights, and consequently has due to him from others a million of duties. Or, put in correlative terms, he is a millionaire or liberties while the liberties of a man without property of any kind is personal liberty to walk the streets in such a manner as not to obstruct the traffic. Liberty is in its legal sense freedom to exercise a right, but what is the use of talking of a man's liberty if he have no rights to exercise? You might as well talk to a man in a waterless desert of his liberty to quench his thirst, or to a man who can get employment nowhere of his liberty to earn a living!

Remembering this, we revert to the orthodox doctrine that general welfare is best promoted by the State confining itself to the protection of individual rights, and findthat it really means that the State's main concern is the interests of property owners the larger the owner, the more the State is concerned with his protection. Surely a beautiful doctrine this when the vast majority of the people (I am speaking, of course, of the old world) have no property at all.

I have given some time to an analysis of what our idolised "individual liberty" really means to the great mass of the old world people. This idolatry still prevails, but the hollow places in the idol are being slowly revealed.

The freedom implied is mainly a negative freedom. Nay, it is a misleading illusion flattering or soothing the ear but yielding nothing to men's hope. Let me here anticipate a hasty criticism. I am, observe, under-estimating in no way the absolute necessity for legal protection of rights. The enforcement of law and order is the first essential of the State's existence, and the security of life and property which law and order confers is a paramount need not only of social progress but of our present social life. The purpose and only purpose of the reference I have made to individual rights and liberties is to expose to [unclear: or iteler] the leading dogma of [unclear: indi] that the protection of these rights and liberties is the sole proper function of the State and the best means of promoting general welfare. In doing this it was necessary to [unclear: refute] the basic principle of the natural liberty school voiced by Mill and the orthodox economists that true individual freedom consists in being allowed to do whatever one pleases so long as it does not infringe the right of others. The full operation of such a system has we know produced social evils too great and well known to need any illustration here. This system has too long been a pernicious fetish, and even where it violated the deepest sense of our humanity, the answer once deemed sufficient was "Fiat libertas ruat justitia."

What, then, are the proper limitations of the sphere of individual freedom?

First we can shortly state a rule which disposes of an infinite amount of fine-spun theorising about the sanctity of freedom. Freedom which a man uses to make a beast of himself has no sanctity and deserves no legal protection. Hence, then, the law, so long as it scrupulously respects proper privacy and all the more intimate and delicate relations of life, may wisely forbid anything which, allowing for the utmost individual variety of rational taste, no sensible person would wish to do, provided always that such interference is in the interests of the individual himself or of the well-being of the community. This proviso excludes meddlesome prohibitions in respect of small things.

The rule so stated would leave as wide a sphere of personal freedom as anyone deserving of respect could desire. Surely such a rule is more consonant with our conceptions of true manhood and womanhood than a doctrine which expressly permits swinish excess so long as it invades nobody else's rights.
That this rule involves considerable limitations upon the area of personal freedom must be conceded, but these limitations will be those approved and unequivocally dictated by the intelligence and moral sense of the community. It is in final analysis coercion to bring human conduct nearer to an ethical ideal. It is in one aspect society conceiving its ideals as the measure of its rights against the individual. This is all antithetical to the individualism of natural liberty, and the service or injury this new system will do the future depends upon success or failure in discovering the true societific frontier between collective control and personal freedom. Already it is generally conceded in practice, if not in theory, that individual liberty may be restrained in the interests of public health and of public morals. Restriction in this direction will doubtless increase. But the most marked limitations of the old theoretical sphere of personal freedom have taken place, and no doubt will continue to take place, on the economic side of life. Here, again, these limitations arise from social control more or less consciously pursuing an ideal. In last analysis it is the ethical process restraining the cosmos. The conviction is growing in the national mind that society must look beyond its mere total production of wealth to how it is produced, how it is distributed, and what is the effect of such production and distribution upon the mass of the people. The ideal of general welfare as I have already defined it is not promoted merely by increasing the grand total of national riches through unfettered competition, but by providing in large measure freedom of opportunity the pursuit of this ideal is becoming more and more the conscious aim of the State. Such purpose tends to check all individual right or liberties which are antagonistic to its ideal. This may be expressed as follows:—Individual freedom may be restrained wherever that is found necessary to enable the State to provide the conditions, material or otherwise, deemed essential to general well-being.

But our race has only slowly, painfully and semi-consciously come to see that the system of natural liberty I am attacking furnishes in itself no true basis for modern social progress. I say "modern," because it is mainly owing to the complex development of capitalism, industrialism and invention during the last 100 years that this system has become so inadequate for true social progress.

I have already shown that at least in the old world the so-called "liberties of the subject" are but a mockery if the subject can acquire no rights to exercise. The whole fabric of modern society grows ever more complex and artificial. The ties of kinship as social bonds have almost disappeared, and the State must furnish new bonds to supply their place. The old intimacy and mutual aid of the village and the countryside have in large measure been supplanted by the "multitudinous desolation" of the city. The exigencies involved in this change demand something more substantial than the negative freedom of individualism. In one aspect of it, the basis of society is really the family. That is, a household for the most part, if not wholly, supported by the earnings or means of its head. Upon the husband and father the law casts an imperative duty to maintain wife and children. It will imprison him for beggary. It will punish him if he have no lawful visible means of support. It is his duty to have such means or earn them. Upon such a basis, then, society is built. But what if an honest and willing man have no means? What if he can find no opportunity of earning them? Is society so vitally concerned with the health and existence of the household and yet not concerned with what is pre-essential to the household's existence? This, if true, were surely a paradox, and yet it is the logical result of the laissez faire doctrine. But the truth is that from the point of view of general welfare possession of, or means of possessing, individual rights is at least as important as their protection, for possession of rights whose exercise will provide a living is essential to a discharge of the primary duties of citizenship liberty, conceived in vacuo, can no longer be relied on by the State to promote social progress or general well-being. True economic freedom in a modern nation, it has been said with profound truth, "is not the absence of restraint but the presence of opportunity." And what is meant by the "presence of opportunity,"? I take it to mean a sphere of activity—a scope of work—with the tools and discharge the legal and moral duties of citizenship.

In opposition to Mill's doctrine of liberty and non-interference of the State, it is now being increasingly recognised that a proper purpose of Government is to bring tools to willing hands which would otherwise be idle or precariously employed. This is but an example of the people collectively, consciously and directly providing the conditions considered essential or expedient for general welfare and progress.

To provide these conditions (prudently and cautiously devised, let us hope), individual rights and liberties must if necessary be limited and checked. But while the functions of the State must increase in area and number if our social ideals are to be promoted, every increase should be jealously watched. Excess of social control upon the individual life is as pernicious as excessive liberty. It matters little from what source that control emanates. In religion the coercion of law, or even of an aggressive public opinion, produces an insolent orthodoxy which makes conformity a radiant virtue and doubt and dissent an offence. Conformity so thrust upon a people kills religious liberty. In art the enforcement of canons of taste produces as it always has produced, a conventional, stilted and rigid school. On the social side of life excessive collective control either by law or custom, imposes that dead, or paralysing uniformity seen in Eastern countries, and thus destroys "the picturesque in man and man." On the economic side, excessive interference checks enterprise and effort,
The lessons of the past warn us against giving too wide a sway to Government over the individual life. Excessive control is vicious, whether it is based upon the divine right of kings or of popular majorities. It is well here to emphasize the fact that social welfare, although largely the same, is not synonymous with human servitude of the State may be advanced by restraints and prohibitions really harmful to individual well-being. There are limits to the claims of collective interests and advantages, just as there are limits to the claims of individual freedom. Most students of sociology are agreed as to the effect upon a nation's members of woman's modern sphere of freedom. The new aspirations and efforts of woman to individuate in fuller life than that of merely mother and household drudge might conceivably be restrained by law in the interests of the cradle, but what is the extent of the welfare of the women themselves? The scientific frontier between the individual and society cannot be laid down from any a priori reasoning. Experience, thought, trial, failure, and retrial will all be necessary to ascertain its true position. Meanwhile we see on every side in all modern democracies a steady movement towards authoritative regulation in almost every domain of life except the religious. Evils rightly or wrongly traced to freedom are inducing restraints upon that freedom. Already freedom in connection with drink, gambling, horse-racing, drugs, duelling prize-fighting, tabacco, and morals generally is in several countries being steadily and greatly curtailed. Both in America and Great Britain there is a growing demand by the best citizens for some restriction upon the freedom of the press so as to protect particularly the young against the demoralising influence of a certain class of journalism. In most advanced countries there is—or there is likely to be—increased restraints placed upon wastrels and vagrants and some form of legal discipline imposed upon the great mass of the obviously unemployable, both for their own good and that of the community. To anyone who makes a careful survey of the legislation of the last fifty years in most modern democracies it is amazing to see the extent to which society is turning away from the old school of natural personal freedom and is imposing by compulsion its conceptions of decency, temperance and moral well-being upon the individual life.

In the same spirit of coercion towards an ideal it has enforced all sports of regulations to secure the health and physical welfare of the people.

But the most striking limitations and infringements of liberty have been those imposed on what I have called the economic side of life.

The purposes of these limitations and infringements, although apparently various, are really phases of but one aim—sometimes, it must be admitted, but vaguely seen—and that aim has been to improve the conditions hygienic, moral and material of labour.

It will serve to remind you of the extent to which the limitation has gone if I point out that in several countries now it is a penal offence for a man to work, no matter how willingly, or for another to employ him at a shilling, or indeed a farthing less than the rate of wages fixed directly or indirectly by law. This and countless other illustrations one might give show how far coercion instead of the old system of freedom is relied upon to promote general welfare.

I have already said that individual liberty has been and will be increasingly invaded to secure or provide the conditions deemed by the majority essential to progress. Primary education is now furnished by the State at the expense of the general body of the taxpayers. In Spencer's words, "I am taxed in order that my neighbour's children may be taught." Legal compulsion in turn is applied to force parents to send their children to the schools so established. Secondary and university education, mainly at the expense of the whole people, is almost free. So is technical education. Thus the State invades private rights by taking part of each man's property or money by way of taxation to provide what I may call equipment conditions for the people—a general, special and technical training.

In industries it seeks by legal compulsion to secure the material conditions of decency by enforcing healthy surroundings, a living wage, and restricted hours. In several countries now, including England, the State may at the expense of the community take a man's land from him compulsorily to provide poor and unemployed people with farms, and not only with the soil, but with the means to work and develop it.

Thus not merely in new lands, but in old the State is striving to furnish its people with opportunity, not, as formerly, with legal protection of rights alone, but with the means of acquiring rights. To secure or provide these conditions, private rights are now unhesitatingly invaded. Land is taken, monopolies forbidden, free competition checked, and everyone in the State, according to his ability, placed under compulsory tribute to provide the means of securing a rough approach to freedom of opportunity for all.

Our conceptions of individual liberty have fundamentally changed with a change in our national aims. Wealth and its production still appear to be the paramount concern of orthodox political science. This has tended to make every consideration of social evils subsidiary to the methods of increasing national riches. Such a disposition is clearly seen in the arguments by which Bright and Cobden resisted the early factory laws. The
old Adam in individualism dies hard but "Wealth and its production" as the principal national aim is yielding steadily to "Want and vice and their reduction" as that aim. And in this transition of regard from wealth to want may be found the key to most of the limitations which for fifty years past have been increasingly imposed by law on individual liberty. "Want and vice and their reduction" as a collective ideal calls for a policy very different from that of laissez faire, and it is mainly the perception of this, or if you will the deception of this, that is driving modern democracies along the road of increased regimentation. It has been said that talk is the surface ripple—thought a ground swell, but national sentiment an ocean current. The great ocean current of democracy to-day is popular sentiment seeking, sometimes unconsciously, sometimes clearly, a social ideal. It is setting towards a State paternalism—to a closer control of each for the gain of all. We may like or dislike this great movement. Our individual preferences or antipathies count for little. You may denounce the River God, but the stream will bear you with it all the same. There is no wisdom in the angry opposition to the Zeitgeist.

What is recognised as inevitable must be made the best of, and he who, failing to perceive its irresistibility, sets himself to check a world movement, is only a modern Mrs Partington with broom, mob-cap and apron, hopelessly attempting to sweep back the Atlantic.

But, I may be asked, what capacity has a democracy to devise, apply and, above all, enforce such an intelligent parental process as metaphorically speaking will make a garden of the wild?

I have already pointed out how essential compulsion is to progress, and the question naturally arises—How can the mass of men and women, falling as they do short of self-control, become in the form of a democracy the intelligent governors, not only of themselves, but of the whole community. This is a stock argument, and there is not a little in it, but not so much as I, at least, once thought. The view seems very plausible that order their own lives on rational-moral lines are incapable of controlling others. Then the average citizen is taken and his qualification for regulating the conduct of others examined and these qualifications found wanting. I am satisfied that this method of testing the capacity of the majority at least for moral Government is fallacious and misleading, for, strange at it may seem, the history of the world has shown that even a very bad man may make a very good ruler. It has been well said that "rare is the strength that can single-handed overcome temptation, but common enough is that mild predilection for the right which is capable of supporting someone else under temptation." The affection of weak knees does not, thank Heaven, debar us from triumphing over the frailties of others! Nothing is more trite than the saying that he who cannot control himself is not fit to control others—and nothing is more false. If only those were allowed to uphold standards who had demonstrated their fitness to live up to them, how our reigning ideals would suffer! What widespread blindness if no one might pick motes from his brother's eye until he had cleared his own optic! The truth is, as it has been well put by Ross, that the faculty of apprehending one's neighbour's case so much better than one's own renders available for social control a vast amount of correct sentiment which is too weak to be effective for self-control. Just as in mining the cyanide process permits the reduction of low-grade ores formerly unprofitable, so the method of mutual control turns to account a vast deal of flabby anaemic sentiment which hitherto has been of no use whatever in raising the general level of conduct. The "voice of a people" is indeed always much in advance of the practice of that same people. "Video meliora proboque deteriora sequor." Collective sentiment reflecting an ideal tends in a democracy to pass into a law which in turn helps to lift practice nearer to the standard of the ideal. Many a man who votes prohibition as an ideal is consciously invoking compulsion to prevent not only his neighbour but himself from having a grass of grog.

It may, however, be contended that democracy offers no guarantee that sound and elevated sentiment will thus pass into law. I do not deny that there is room for this doubt, but let it be remembered that history presents us with an apparent paradox, namely, that where the humbler and the so-called higher classes of our nation have differed regarding great social questions, the events have proved the humbler right and their so-called betters wrong. This is forcibly put and shown by Bryce in his "American Commonwealth," where he sums up the position in these words:—"Nearly all great political causes have made their way first among the humbler and middle classes." This fact, indeed, may be traced to deeper reasons which go far to relieve our gravest doubts as to the capacity of collective control for the purpose of intelligent government. We hear much of a social sense of apprehending one's neighbour's case so much better than one's own renders available for social control a vast amount of correct sentiment which is too weak to be effective for self-control. Just as in mining the cyanide process permits the reduction of low-grade ores formerly unprofitable, so the method of mutual control turns to account a vast deal of flabby anaemic sentiment which hitherto has been of no use whatever in raising the general level of conduct. The "voice of a people" is indeed always much in advance of the practice of that same people. "Video meliora proboque deteriora sequor." Collective sentiment reflecting an ideal tends in a democracy to pass into a law which in turn helps to lift practice nearer to the standard of the ideal. Many a man who votes prohibition as an ideal is consciously invoking compulsion to pre-vent not only his neighbour but himself from having a grass of grog.
lower races we appeal to the intuitions of common men, and not to the spokesmen of highly organised bodies of sentiment such as the church, army, trade, or 'society.' It is to the masses and not to the classes that we must protest against natural wrong-doing."

If, then, as Mill thought, individual liberty will be increasingly exposed to invasion as the majority become conscious of their power; as, in other words, national sentiment and opinion not only reign but rule, there does not seem any clear justification for the often expressed fear that that invasion will violate any true principle of justice.

But it may be said that progress depends on more than unsophisticated national sentiment. It demands invention, calculation, reasoning no the part of the Government. I do not deny this, but one of our greatest illusions is that reasoning is the main factor in social progress. Mr Balfour emphasises this in his "Fragment on Progress." "To hear some people talk," he says, "one would suppose that the successful working of social institutions depended as much upon cool calculation as the management of a joint stock bank; that from top to [unclear: tton] and side to side it was a mere question of political arithmetic." The clatter of argument is often the most striking accompaniment of interesting social changes. The position of reasoning, therefore, and its functions in the social organism are frequently misunderstood. People fall instinctively into the habit of supposing that because it plays a conspicuous part (i.e., and accompaniment) in the improvement or deterioration of human institutions, it therefore supplies the very base on which they may be made to rest, the very mould to which they ought to conform, and they naturally conclude that they have only to reason more and to reason better in order speedily to perfect the whole machinery by which human felicity is to be secured.

Surely, adds Mr Balfour, this is a great illusion.

Society is founded—and from the nature of human beings which constitute it, must in the main be always founded—not upon criticism (or reasoning), but upon feelings and beliefs, and upon the customs and codes by which feelings and beliefs are, as it were, fixed and rendered Stable. And even where these harmonise, so far as we can judge, with sound reason they are not in many cases consciously based on reasoning; nor is their fate necessarily bound up with that of the extremely indifferent arguments by which from time to time philosophers, politicians and, I will add, divines, have thought fit to support them. Mr Balfour then proceeds to show that this is true of a democratic Government based on public opinion. Thus, then, it will be seen that if such a Government is in the main collective sentiment operating as law, it is not likely to be less rational than other forms of government.

There still remains one other aspect of legal liberty to which I desire to refer. The sphere of individual freedom depends upon the efficacy of the restraints which circumscribe it. It is idle to talk of the legal limits of liberty if their observance cannot be enforced. Thus, one of the negative protections to a large part of personal freedom in past centuries was the ruler's inability to enforce obedience to restraints. Now, obedience under a free democracy and obedience under despotic rule have, or at least seem to have, entirely different complexions. If those ruled have no voice in their own government, if constraint is imposed by an independent sovereign power, such as a monarch or an oligarchy, obedience is felt as coercion and is resisted, resented, or grudgingly yielded. I pointed out in the first part of this address that something of this feeling still survives in our attitude to government, but it is fast disappearing.

But turning now to the former kind of obedience—obedience to a law passed in a democracy based on universal suffrage. That is felt to be obedience to the people as a whole. It tends to be vaguely viewed as a self-imposed restraint, and that same difference is discernible in the spirit of submission which we see in obedience to the dictates of our own self-control and those of an independent dictator respectively. Hence there is about a government based upon the will of the people a strength unknown to other forms of government. "Once the principle that the will of the majority honestly ascertained must prevail has soaked into the mind and formed the habits of a nation, that nation acquires an immense effective force, and obedience to it becomes unquestioning if not cheerful."

In this lies at once the advantage and the peril of democracy. The advantage, in that its proper progress is not likely to be barred or long delayed by the resistance to its laws of strenuous and militant individual interests. Thus, so far as collective control is really expedient for the welfare and progress of the nation, it will be effective. But here arises a possible peril order in this world is usually produced by a conflict—either of forces or of interests. The opposition of centripetal and centrifugal forces gives the earth her orbit. If either were much weakened there would be disaster. The conflict of interests between man and the State has done much to give us our social order and the present area of individual liberty. But if the resistance of the individual to collective encroachment is much weakened—if what Mr Bryce calls a sense of the fatalism of the multitude disarms all individual opposition, and the champions of personal freedom leave the field as men who yield to fate—what is to prevent State regulation crossing all the frontiers of individual liberty and imposing upon the whole round of private life a control as oppressive as an Oriental despotism? That this is conceivably possible is undeniable; that it is humanly probably in an Anglo-Saxon democracy we may confidently deny. This is,
The most advanced democracies evince the tendency to make their ideals the test of their rights to
the vigour and manhood of our race. But most of these grave apprehensions overlook the stability of national
characteristics. National character is the product of many influences. It is due to racial origin and racial
mixture—to geographical position, to the struggle for existence within and without its territorial limits, and to
all the other experiences, including those of religion, which for a thousand years or more have gone to mould it.
So formed it is not easily changed.

The character of our nation is sullen and stubborn, only slowly impressed by effects of government. I have
already said that the spirit of individualism, which is the spirit of the widest liberty, is a national inheritance. It
rejoices in that aggressive freedom which declares that a man's house is his castle. Thus the temper and
character of the Anglo-Saxon people afford the best safeguard against any undue democratic domination of the
State. The vigorous individuality that down the centuries has won us our civic freedom is not likely to be easily
extinguished by democratic repressions. The instinctive love of liberty—the courageous exercise of it, which
conspicuously mark our nation, will reflect themselves in all collective control and will, at least for many years
yet, secure for individual freedom even a wider area than is either necessary or desirable in the best interests of
the State. This prediction is favoured by other temperamental traits. Burke speaks of British "sullen resistance
to innovation and the cold sluggishness of our national character which resists the subtilising of the
philosophers." Certainly our countrymen have none of the inflammable qualities of a Latin people, like the
French. They have never taken Utopias seriously. You cannot capture them by any large doctrinaire schemes of
social reform. They dislike theories. They have little patience with any proposal which does not present a
practicality they can grasp. They are moved to action not by fancy-fed ideals, but by the presence of a
condition—by the pressure of immediate necessities. They may talk about El Dorados, but in practice they are
men of short views focussing such policy as they have upon the immediate future. Such men are the despair of
the revolutionary Socialist and the idealist in a hurry, and such a national character is the best guarantee against
nay sudden or radical changes which threaten to destroy or seriously impair proper private legal liberty.

Now, in closing, let me summarise my conclusions:—

- There is in Anglo-Saxon nations an excessive impatience of State interference due partly to racial
  qualities and partly to the struggle by which freedom has in the past been wrested from Government.
- That in their attitude towards the powers of the State the people of our nation are apt to ignore the fact
  that it is only from these powers and under their protection along that they derive their rights and liberties.
- For many centuries man has been trying to find some scientific boundary between the rights of the
  individual and those of the State; and the theories of Hobbes, Locke, Rousseau and Adam Smith resulted
  in the doctrines of natural liberty which limit the State's functions to those of keeping order and protecting
  rights, while they extend the area of individual freedom to the widest extent possible without injury to the
  rights of others.
- This led to a fanatical individualism under which the condition of the English labourer was worse than at
  any previous period of English history.
- The school of natural liberty still largely dominates orthodox economic thought.
- It is based upon the cosmic propcess, the struggle for existence and the survival of the fittest, and is
  opposed to the moral or ethical process of human betterment.
- Thought and experience has shown that in modern nations the system of natural liberty is not a policy of
  true social progress. That, on the contrary, such progress can be attained only by limiting greatly
  individual liberty and by eliminating the struggle for a bare existence by checking and removing the
  competition and other conditions which give rise to it. This involves provision both for the ascent of
  capacity and the descent of incapacity.
- That the true policy of progress in modern nations is not the mere protection by the State of legal rights,
  but provision by the State of the conditions which are essential to the welfare of the people. This means
  the securing for all who need it some measure of freedom of opportunity as well as protection.
- That for the improvement of those coerced and for the provision of the conditions of general welfare, the
  State may, in defiance of the tenets of individualism, properly curtail individual liberty.
- That as the solidarity of a nation increases and society becomes increasingly organised the closer relation
  and interdependence of the units of population necessitate a restricted area of individual freedom.
- That conceptions of the area of personal freedom have changed with changes in our national aims, and a
  policy of "Want and Vice and their reduction" is slowly supplanting the cardinal national policy "Wealth
  and its production."
- That the trend of the freest democracies is towards a State paternalism which will aim at some degree of
  freedom of opportunity and make individual rights subsidiary to the essential needs of such a policy.
- The most advanced democracies evince the tendency to make their ideals the test of their rights to
  infringe and limit individual freedom.
• That obedience to Government is more easily obtained under universal suffrage than where the people have little or no voice in their own control, and this is one of the chief perils of democracy.
• That the national character and temper of our nation may be trusted to prevent any serious limitation of the area of liberty really essential to a self-respecting, vigorous manhood.

It will be observed that each of these propositions bears upon the question of our legal liberty—that is, to the cases and purposes in and for which my property, conduct or speech may be interfered with by the State. In all the perplexing difficulties of the subject-matter of this address, no man can speak with confidence. If I appear to have spoken with confidence it is not because I feel any certainty about the accuracy of my views or anticipations. Upon such a subject as my present one dogmatism would be not only unjustified but an impertinence.

But if there is doubt as to the shapes and forms and methods of future Government, one thing is clear—that a democracy is in the long run governed by the character of its people, and unless the people possess the cardinal virtues of honesty, industry, temperance and justice, and individually and collectively desire to promote them, no form of Government can be a success and no nation escape decay. It is as legislation reflects or enforces these qualities, and only as it does this, that it can promote an ever-widening human welfare.

From Competition to Co-operation or "Socialism in the Making."

By John Ross.

Critical Notices.

In a preface to this booklet, Sir Robert Stout, Chief Justice of New Zealand, says:—

"Mr. Ross deals with political and quasi-political questions. There are obvious reasons why I should not touch on such subjects. The social questions dealt with by Mr. Ross are, however, above politics, and have an interest for every citizen of Australia. I bespeak for this booklet the careful and thoughtful consideration of those who are looking to our new nations in the southern seas to become more and more the home of great and good citizens, and of those who realise that it is their duty to help to bring about these social reforms that will make such an ideal possible."

The Manchester "Co-operative News" is the press organ around which the whole co-operative movement, as it develops itself in Great Britain and on the Continent of Europe, centres itself, and the imprimatur of this high authority has been given to Mr. Ross' booklet in the following criticism:—

"As was pointed out in an article by Mr. John Plummer, in a recent issue of the 'News,' the co-operative principle, as we understand it here, has little life, and still less practical application, in Australia. This position of affairs is emphasised in this little work, which contains a preface by Sir Robert Stout, Chief Justice of New Zealand. Mr. Stout admits that although the Australasian colonies may be regarded as a land of freedom, the people have still their social problems, and seem no nearer a solution of many of them than did their ancestors in the early part of last century. The author of this booklet thinks that in voluntary co-operation there is, if not a solution of those social and economic problems, at all events a mitigation of many of the evils under which the people are suffering. Sir R. Stout opines that this may be too sanguine a view, but that if Mr. Ross be only partly right—if his remedy will palliate any of those evils—then it is the duty of all lovers of their kind to welcome his suggestion and to try his remedy-voluntary co-operation. Mr. Ross marvels that, amidst the contentions and recriminations of socialists and anti-socialists, there is hardly an allusion ever made to the 'social evolution which is taking place in Great Britain and Ireland, and on the European Continent, by means of that marvellous and ever-expanding agency known as the co-operative movement.'

"The anti-socialists, he says, may be excused for not regarding co-operation with favour, for 'it is inimical to the régime of private capitalism,' but he can only account for the indifference of Labour politicians on the ground that 'either they do not know better, or that a recognition of its supreme importance as a working-class movement should entail upon them too much social hard work without the chance of winning such prizes as are to be secured by successful political agitation.' But we need not follow Mr. Ross into the political aspect of the matter. What we have to admire is his strenuous advocacy of voluntary co-operation, of which he has evidently made a very careful and complete study.

"A thorough-going democrat, Mr. Ross is naturally opposed to the anti-social agitators, who do not recognise that there is a social problem to be solved, and who have for their central idea unlimited
competition; but, on the other hand, he is of opinion that the co-operative movement is calculated to overcome the cry for State socialism in the full acceptance of the term. He recognises that the State owes many duties to social reform, and that co-operators are compelled to give increasing attention to political means for obtaining such reforms of the law as will remove obstacles to social progress. But State aid should not be demanded so as to lower the sense of responsibility or the need of initiative in the individual citizen.

"Mr. Ross regards voluntary co-operation as a powerful lever for the raising of the masses, and, given a solution or modification of the increment of land values problem, this power may be considerably increased. "If, however," he says, 'conservative anti-socialists are able to influence the Governments not to undertake the solution of the increment of land values problem, or its modification, but permit it to take its natural course unchecked, the agitation for State socialism, which the co-operative movement is calculated to overcome, may receive fresh vigour from the hard lot of settlers placed on the land under conditions to which State socialism would be a welcome change.'

"This little work appeals to us mainly on account of the sterling advocacy of the principle for which this journal stands, and it should have an interest for every citizen of Australia. The story of the origin and progress of voluntary co-operation in Great Britain is briefly and lucidly told, and the object lesson is one well worth taking to heart by the new nations in the Southern Seas."

In a note to the writer of the pamphlet, His Grace the Anglican Bishop of Tasmania kindly says:—

"Many thanks for your booklet.... At present I have only had time to glance through it. It is most encouraging to know that there are some who are able in the midst of all this political strife to take a calm and disinterested view of matters, and to devote to our social problems an interest that is at once keen, practical, and scientific."

The following appreciative notice is taken from the "Age" newspaper:—

"Between the extremes of socialism on the one hand and unlimited competition on the other, Mr. John Ross' panacea for solving the economic problem of to-day lies in voluntary co-operation, and the pamphlet in which he advances his views is an interesting and decidedly suggestive array of all the facts and figures bearing on the immense success which has been achieved by co-operative societies of the nineteenth century, from the famous work of Robert Owen in New Lanark to the present day. His arguments and his data are to be warmly recommended to all those who are seeking information on a movement which, as Sir Robert Stout says in an appreciative preface, is worth experiment if it will palliate any of the evils from which we suffer."

The following table of Contents will give a fair idea of the character of this little work:—

• Preface by Sir Robert Stout, Chief Justice of New Zealand.
• Preliminary Remarks.
• Unlimited Competition a Social Failure.
• Early Propaganda Work and the Rochdale Experiment.
• The Spread of the Co-operative Movement.
• From Distributive to Wholesale and Productive Co-operation.
• People's Credit Banks.
• The Credit Foncier.
• The Social Problem.
• Prospects of Co-operation as a Social Movement in Australia.
• Increment of Land Values and Closer Settlement.
• Appendix—The Civil Service Co-operative Credit Bank.

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From COMPETITION TO CO-OPERATION: or Socialism in the Making.
By John Ross.
MELBOURNE: McCARRON, BIRD AND CO., PRINTERS AND PUBLISHERS, 479 Collins Street.

Contents.

Preface

By Sir Robert Stout, CHIEF JUSTICE, NEW ZEALAND.
In the Australasian colonies we live in a land of freedom. Our institutions are free, and no ruler tyrannises over us. We have done much for the civilisation and culture of our citizens. In our midst there is the free school, under the control of the citizens, and not dominated by any ecclesiastical body. We have free libraries, too, and in the larger cities there are art galleries, colleges, and universities. The health of the people is also a matter of public concern, and we have made provision for the recreation of our citizens. Gardens and parks open to the public are in all our towns. The political reforms for which the Chartists and reformers of England struggled sixty or seventy years ago are ours. And yet we have our social problems, and we seem to be no nearer a solution of many of them than our ancestors were in the early part of last century. We have often poverty amongst us, and the cry of the unemployed is not rarely heard in our land. What is to be done? We are bound to try to find a solution of the pressing social and economic problems that are with us. Mr. Ross, the writer of this booklet, thinks that in co-operation there is, if not a solution of our social and economic problems, at all events a mitigation of many of the evils under which we suffer. He may be too sanguine. This is ever the complaint we make when some new idea of social progress is launched. But if he be only partly right, if his remedy will palliate any of the evils from which we suffer, then surely it is the duty of all lovers of their kind to welcome his suggestion and to try his remedy. Co-operation in distribution has been a marked success in England, and there! is no reason why it should fail here. What is more urgently required is co-operation in production. That has not had an extensive trial, and it is only yet in the experimental stage. Why should we not try the experiment? Is a cooperative factory beyond the bounds of practical industry? I hope not. If it be, then the outlook for the future of this world is dark indeed. When the ties of brotherhood are stronger, co-operation in labour should be as easy as co-operation in ideas, in creeds, or in intellectual or social work. We need to realise that all men are not equal, and that the leaders of men in work and in ideas are as necessary as the men with strong muscles and with a strong moral sense.

Mr. Ross deals with political and quasi-political questions. There are obvious reasons why I should not trench on such subjects. The social questions dealt with by Mr. Ross are, however, above politics, and have an interest for every citizen of Australasia. I bespeak for this booklet the careful and thoughtful consideration of those who are looking to our new nations in the southern seas to become more and more the home of great and good citizens, and of those who realise that it is their duty to help to bring about these social reforms that will make such an ideal possible.

Wellington, New Zealand.

Competition to Co-Operation.

Preliminary Remarks.

Under the banners of socialism and anti-socialism, political parties throughout the Australian States and in the Commonwealth Parliament have been resolving themselves into two distinct and antagonistic forces, the central idea of the socialists being that of a collectivity of interests under State ownership and administration, and that of the anti-socialists the free and unfettered play of individualism, without State aid or interference—otherwise, unlimited competition and "the survival of the fittest."

State socialism in Australia is the outcome of Labour politics, and its demands are felt to be so subversive of the prevailing order of things that democrats, who readily sympathise with Labour aspirations, shrink from supporting measures of a character so revolutionary as to involve, by the sudden dislocation of existing arrangements, sufferings upon society greater than those which lend inspiration to the socialistic movement.

An astute Commonwealth political leader seemed to perceive in this an opportunity for starting an anti-social agitation, calculated to unite voters and politicians, other than State socialists, against a common danger.

Whatever sympathy thoughtful democrats may have for the aims of the socialistic party they can have none for those of a party that does not recognise that there is a social problem to be solved, and that, to accomplish this, the warning words of Carlyle need as much attention to-day as they did at the time when they were uttered:—" Will not one revolution suffice, or must there be two? There will be two if needed; there will be twenty if needed; there will be just as many as needed." The thing cannot go on for much longer, kept in check as it is in the spirit of absolute denial, and opposed by false logic, without provoking serious social troubles, and it is manifest that the solution of the problem has to emerge from the practically unaided efforts of the masses who do the world's work, and the education which they empirically acquire in their struggles to emancipate themselves from social disadvantages and disabilities, never from opponents who start a
counter-agitation based upon such sciolisms—as that the development and preservation of human individuality are essential to human progress and ultimate well-being; that socialism—any socialism, there is no discrimination—is destructive of this quality in human character, and, therefore, promotive of degeneracy and decay. In order to maintain the major premise of the ill-assorted propositions of this syllogism, recourse must be had to the advocacy of unlimited competition and *laissez faire* as a system of society, so imperative in its exactions that it cannot be relaxed without making concessions destructive of the theory, while its rigid adoption is fraught with consequences so revolting to humanity as to make it impossible in practice.

The serious error is to make "Unlimited Competition" and "Individualism" synonyms for one and the same thing—There is nothing in a doctrine of individualism that would prevent social combinations to be formed, in order to economise and co-ordinate forces for the better attainment of common objects without any State aid, and, in course of social development, it is as natural that combinations of this character should be entered into as that two persons should unite to overcome an obstacle beyond the power of any one of them to deal with singly. "Individualism" and "Collectivism" are by no means contradictory in character, and it may be asserted with confidence that it is under a system of scientific socialism that "Individualism" can be civilised and humanised, and redeemed from the brutish and demoralised attributes which belong to it under the régime of unlimited competition, and that conditions of social liberty can receive their fullest development. Even when combinations of individuals are formed to exploit the rest of the community in the interests of private capitalism, it seems more consonant with fundamental ideas of liberty to leave the disaffected to work out the remedy for themselves without recourse to State aid or interference, except—and it is essential that this should be noted—to repeal unjust laws which confer proprietary rights and privileges upon classes to the detriment of the rest of the community, and permit private capitalists to make monopolies of that which belongs by natural right to the people as a whole. The power of the combines, similar to that of trade unions, is the power of "Collective Bargaining," or collective anything else to which it can irreproachably be applied, and capable of abuse when permitted to tyrannise over the rights and liberties of others.

Anti-socialists are bound to admit views favourable to a theory of government constituted for the administration of equal laws, under which citizens are conceived to enjoy equal rights and opportunities for acting their individual parts in the struggle for existence, singly or by voluntary associations, without State-made limitations *in* favour of privileged persons or classes. They could not logically defend their hostile attitude towards State socialism without admitting this, and the profound meaning which lies in the demands of socialism, no matter how imperfectly formed or crudely presented, comes from the fact that these conditions never have been complied with. On the contrary, Governments have interfered with individual liberties and citizen rights by laws which have conferred upon classes, from generation to generation, powers to monopolise the means of subsistence at their very source, and circumstantially promoted the accumulation of industrial capital and other wealth in private hands, upon whom the rest of the community have been made slavishly dependent for the means of living.

There is nothing, therefore, by contrast to be marvelled at in the attitude of that socialism which demands that the State should repossess itself of the nation's land, and be itself the employer of the nation's workers in the interests of the whole community, instead of committing them, by direct and indirect means, to the tender mercies of practically State-aided monopolists and capitalistic trusts. To talk of "Individualism" under the conditions which have all along prevailed is sheer mockery. It is worse than a race between a person in shackles and an unfettered opponent, and anti-socialist epithets, and "Punch" cartoons representing Labour as the personification of tin-crowned brutality, are adding witless insults to generations of inherited wrongs. The demands of socialism are really demands for justice, for the redress of wrongs under which millions of human beings have suffered, and are suffering, unspeakable and heartless miseries:—

*Plundered, profaned, and disinherited,*  
*Cries protest to the judges of the world,*  
*A protest that is also a prophecy.*

It would be difficult to contend, upon general principles, against the validity of the sentiment ascribed by Mr. Rae, in his work on "Eight Hours for Work," to the late Prof. Jevons, namely, that "the State is justified in passing any law, or even in doing any simple act which, without ulterior consequences, adds to the sum total of human happiness," and to demand the removal or amelioration of evils which have been the ulterior consequences of class-made laws is, in itself, both appropriate and natural. It is easy enough to foresee many "ulterior consequences" which would be bound to follow the adoption of a State socialism that would make little or no call upon individual initiative, but the trouble is that the masses may require a good deal of very inconvenient experiences to teach them the necessary lessons. Experience is clearly proving what Robert Owen
is said to have foreseen, that the individualism which belongs to a state of society based upon unlimited
competition was destined to be worked out in time, and give place to monopolies. The Trust is the apotheosis of
private capitalism, and yet anti-socialists, in the name of "individualism," make a primary economic necessity of
that which, by a process of capitalistic evolution, destroys it in the community as a whole. Compared with
this the most uncompromising State socialism seems tolerable, notwithstanding its plain and manifest defects.

But the law of progress does not entrust its fulfillment to politicians of any class, whose sole policy seems to
be that of a self-seeking opportunism. Amidst the contentions and recriminations of socialists and anti-socialists
which distract the political atmosphere, and are productive of so much injury to public and private interests—a
selfish political game played between candidates for Parliamentary honours and place and pay—there is hardly
an allusion ever made to the social evolution which is taking place in Great Britain and Ireland, and on the
European continent, by means of that marvellous and ever-expanding agency known as "The Cooperative
Movement." Anti-socialists may be excused for not regarding it with favour, for it is inimical to the régime of
private capitalism, but that Labour politicians should treat it with such absolute neglect and indifference is
unaccountable, except on the ground that either they do not know better, or that a recognition of its supreme
importance as a working-class movement should entail upon them too much social hard work, without the
chance of winning such prizes as are to be secured by successful political agitation. Whatever the cause,
politicians of every description are failures in the social field, and that is a state of things urgently requiring
amendment. John Stuart Mill, with only the statistics before him which the first sixteen years of "The History of
Co-operation in Rochdale" made available, meagre as they were and simple in character compared with the
volume and complexity to which the movement has since attained, was inspired to perceive a new and
transforming economic agency at work, with possibilities calculated to find a natural solution for many Labour
and industrial problems which orthodox economists leave for settlement to the ruthless law of supply and
demand operative under the régime of unlimited competition. Speculations founded upon such co-operative
data as the time afforded, including those furnished by cooperative associations of artisans in France, makes the
chapter on "The Probable Future of the Labouring Classes" one of the most interesting in Mill's "Principles of
Political Economy." So impressed did Mill seem to be with the value of co-operation as a system of
industrialism that he did not hesitate to urge upon the State, not only the advisability, but the necessity, of
entering upon industrial operations in such a way as to be an education, and a lead for the people to be taken
over and followed up under a system of "Voluntary Co-operation" on their own account. In the chapter on the
"Limits of the Province of Government," Mill says:—"In many parts of the world the people can do nothing for
themselves which requires large means and combined action; all such things are left undone unless done by the
State. In these cases, the mode in which the Government can most surely demonstrate the sincerity with which
it intends the greater good of its subjects is by doing the things which are made incumbent on it by the
helplessness of the public in such a manner as shall tend not to increase and perpetuate, but to correct that
helplessness. A good Government will give its aid in such a shape as to encourage and nurture any rudiments it
may find of a spirit of individual exertion. It will be assiduous in removing obstacles and discouragements to
voluntary enterprise, and giving whatever facilities and whatever directions and guidance may be necessary; its
pecuniary means will be applied, when practicable, in aid of private efforts rather than in supercession of them,
and it will call into play its machinery of rewards and honours to elicit such efforts. Government aid, when
given merely in default of private enterprise, should be so given as to be as far as possible a course of education
for the people in the art of accomplishing great objects by individual energy and voluntary co-operation."

It may readily be conceived, even by many who may be opposed to all socialistic schemes which postulate
the na-tionalisation of the industries, that, owing to the dependent and resourceless condition in which the
masses have been, and still are, placed in consequence of the denial of social and political liberty in the past,
many duties of a quasi-socialistic character may have to be cast upon the State which, in theory, may not
strictly belong to it, but the great and rapid progress made by the co-operative movement since Mill wrote the
paragraph above quoted, and the various purposes, at first unthought of, to which the principle has been
successfully applied, proves to what an enormous extent the industries can be socialised by voluntary means
without any aid from the State. Still, the State owes many duties to social reform, and, under pressure of
circumstances connected with co-operative expansion, co-operators are compelled to give increasing attention
to political means for obtaining such reforms of the land laws, and other laws, as will remove obstacles to social
progress, but it forms no part of co-operative policy or principles to demand State aid in such wise as to lower
the sense of responsibility, and need of initiative in the individual citizen, or to afford encouragement or
justification to people's leaders to devote their energies to agitation only, and pay no regard whatsoever to the
much more important and necessary work of developing into intelligent systematic activity the enormous power
which rests with the masses to elevate themselves by means of "Voluntary Co-operation."
Chapter I.

Unlimited Competition a Social Failure.

"Intelligence without liberty is oppression; liberty without intelligence is anarchy," is a saying attributed to Jules Simon, the French aristocrat and socialist. Whatever degree of intelligence belongs to social beginnings is naturally the property of a privileged few, who employ it to place and hold the mass of the people under conditions of dependence and servitude. In their primal ignorance and simplicity the people accept the situation, generation after generation, without a rebellious thought or idea of protest, as their part in the natural order of things. From this arose false conceptions of social rights and duties, under the hereditary influences of which spiritual and secular authorities have taught and enforced such perverted doctrines of morality and justice as to have construed popular contentions in favour of civil and political rights into misdemeanours and crimes to be visited with the severest penalties, in the names of law, order, and religion. Even now there is much more truth than exaggeration in the saying of Tolstoy:—"Laws are rules made by people who govern by means of organised violence, for non-compliance with which the non-complier is subject to blows, to loss of liberty, or even to being murdered." So long as the people lived upon the land in a state of rude physical contentment, under a system of feudalism which had in it something of the clan sentiment of loyalty to their social superiors, their lot was tolerable, but when feudal services came to be converted into "cash payments" of rents and taxes, the masses had to toil and struggle, and pinch and starve, and endure all sorts of privations and miseries, that the heartless extravagances of courts and courtiers, of temporal and spiritual potentates, and privileged classes generally, might be gratified.

"From the sweat of their brows the desert blooms,  
And the forest before them falls;  
Their labour has builded humble homes  
And cities with lofty halls,  
And One owns cities and houses and lands,  
And ninety and nine have empty hands."

There are ninety and nine that work and die  
In want and hunger and cold,  
That One may live in luxury,  
And be lapped in the silken fold!  
And ninety and nine in their hovels bare,  
And One in a palace of riches rare.

The sense of deprivation and suffering creates a spirit of discontentment and revolt, and a disposition to question the rightness and wrongness of things. In vain Governments, with all the forces at their disposal, have attempted to quell this rebellious spirit. It is a force in nature which must find vent, and oppressive laws and "Peterloo massacres," and Russian "red Sundays," instead of quenching it, are met by the counter-horrors of as many "French Revolutions" and other revolutions "as may be needed," until conservatism has to make concessions to fear that would have been promptly denied on principles of humanity and justice. What threaten to bring about social upheavals and popular insurrections are not the demands for social and political liberty, but the denial of them. The submerged masses have had the situation made for them, not by them, and their struggles for freedom from social servitude and political disabilities come from a natural born and irrepressible impulse, which, notwithstanding the blind, tactless, ill-regulated modes in which they frequently manifest themselves, social evolutionists and philosophic historians recognise as forces which 'make for righteousness' in spite of all the obstacles which the "classes in possession," and the monopolisers of the means of subsistence, place in the way. This is the meaning of the aphorism Vox Populi Vox Dei. Better those...
Who lead the blind old giant by the hand
From out the pathless desert whence he gropes,
And set him onward on his darksome way.

But democracy is never so led; it has to "gropé" its way unaided, on rude and erratic empirical lines, from darkness to more light, but even "the light that leads astray is light from heaven," as well as that fuller and clearer light by which democratic efforts ultimately come to be systematically directed towards well-defined ends and issues.

Although demands for popular rights must pre-suppose more or less intelligence on the part of those who unite in making them, yet liberty has to be won, step by step, in advance of the greater and clearer knowledge which accrues from the struggle. This, of course, is very inconvenient to society generally, aggravated as the situation always is by the contemptuous and frequently insulting abuse which the defenders of conservative interests make of the superior intelligence and culture to which they never fail to lay claim, in contrast to the rude and unlettered condition of the "vulgar crowd." This the "crowd" feel and resent as gratuitous insult added to injury, and elements of anarchy must enter into conflicts carried on under irritating circumstances of this character. In the words of the late Prof. Thorold Rogers:—"It is not at all remarkable that when, after 1824, the old laws against combination were abrogated, some of those who were freed from restraint on a sudden fell into regrettable excesses. But one of the worst consequences of a tyrannical and oppressive Government is that it disables those who have been its victims from an orderly use of their newly-acquired liberty. Foolish people think that effects cease with causes, and that it is in vain to study social problems till you have traced effects to causes which have long ceased to operate and have been long forgotten." According to the same eminent authority, "the working classes had been hopelessly, as it seemed, enslaved and degraded" by tyrannical laws, from the effects of which it must take a long period of struggle to emancipate themselves. Notwithstanding the extension of the franchise—which goes to make other acquisitions more easily obtainable—democracy is as yet more a name than an organised force. So far social evolution seems to have only advanced from that state of oppression, defined by Jules Simon as "Intelligence without liberty," to that of anarchy, defined as "Liberty without intelligence." But humanity cannot accept as permanent a state of society tortured by sufferings and wrongs, and individual and class antagonisms. If sociologists be correct in their monistic conception of society as an organic whole, and not "a collection of warring atoms," surely the final goal of human strivings must be towards a state from which discordant and anarchical elements are to be eliminated, and in which citizens in every relation of life will find the fullest freedom, and greatest individual and collective happiness in intelligently co-operating for the common good.

In an article on "The Struggle for Existence," contributed to the "Nineteenth Century" for February, 1888, the late Prof. Huxley said:—"I conceive it to be demonstrable that the higher and more complete the organisation of the social body the more closely is the life of each member bound up with that of the whole, and the larger becomes the category of acts which cease to become self-regarding, and which interfere with the freedom of others more or less seriously."

Yet many eminent thinkers do not favour a theory of society based upon non-competitive principles. In the principle of competition evolutionists find an explanation of the mode in which all that is strongest and best in individual and racial character has been evolved, and many argue that its active presence in social and national life, however modified under the influence of an advancing civilisation, is permanently necessary to preserve human character from lapsing into degeneracy. And it seems evident enough that the antagonisms between man and his surroundings, between individuals, between tribes and between nations, have been instrumental in developing and strengthening physical and mental powers which no other conceivable process could have accomplished, and that the races who have had to contend with the more adverse circumstances—so long as they were not such as to have made progress impossible, as in the Arctic regions—have advanced in character and aptitudes beyond those attained by races existing under more bountiful but less stimulating and invigorating natural conditions. Emerson puts this in its tersest and most trenchant form. "Nature," says Emerson, "held council with herself and said: 'My Romans are gone. To build my new empire I will choose a rude race, all masculine, with brutish strength. I will not grudge a competition of the roughest males. Let buffalo gore buffalo, and the pasture to the strongest! For I have work that requires the best will and sinew. Sharp and temperate northern breezes shall blow to keep that will alive and alert.'" Long before the doctrine of "the survival of the fittest" came to be formulated by scientists, the owners of industrial machinery and the economists invoked similar principles in favour of unlimited trade competition to an extent that would not make the slightest concession to as much State interference as would "give laws to the game" similar to the rules which are adopted to regulate contests in the athletic arena. In a report by a Select Committee of the
House of Commons in 1811—a year of great distress—the doctrine of what has come to be known as *laissez faire* was distinctly set out. It was stated that "No interference of the Legislature with freedom of trade, or with the perfect liberty of every individual to dispose of his time or his labour in the way and on the terms which he may judge most conducive to his own interests, can take place without violating general principles of the first importance to the prosperity and happiness of the community, without establishing the most pernicious precedent, or even without aggravating after a very short time, the pressure of the general distress, and opposing obstacles against that distress ever being removed."

A Merchants' Petition in 1820 gave unqualified expression to identical sentiments, and as late as 1847 a Ten Hours Bill, the object of which was to limit the working hours of children in factories, was ultimately passed, after having been defeated year after year for ten years, and made the subject of some stormy Parliamentary debates, "John Bright," says Lloyd Jones, in a biography of Robert Owen, "being especially bitter in his opposition."

Notwithstanding all that can be urged, and truly enough urged, by strictarian evolutionists and orthodox economists in favour of the part which the principle of "the struggle for existence" has played in the progress of man from savagery to a comparatively high degree of civilisation, it is clear that, at some stage of human progress, another and a much more powerful element must come into play, which the stoutest arguments and most trenchant logic of economists and evolutionists cannot repress or conquer. Progress, to justify the term or to be of any value, must, sooner or later, touch and unfold the emotional side of human nature, and create a sentiment of humanity irresistibly hostile to a system of society, based upon competitive struggles and *laissez faire*, so replete with human degradation and sufferings as only the soulless, unemotional intellect of a demon could contemplate with indifference.

Before the application of steam power to industrial machinery factories were built in the country where water power was available. The labour of very young persons was necessary in many branches of the textile industry, but, owing to the sparseness of rural populations, the supply was difficult to obtain. In "The Life, Times and Labours of Robert Owen" Lloyd Jones informs us:—" The obstacle, however, had to be overcome, and the plan resorted to was to obtain, as apprentices, from the various workhouses in the United Kingdom, as large a number of the pauper children as were required, and bind them under indenture to the foreman, or manager, under whose superintendence they worked. They were bargained for and sent to their destination in droves; the workhouse authorities, glad to get rid of them, prudently stipulating that those who contracted for them should take a fair proportion of the ailing and idiotic." These wretched children were lodged in sheds close to the factories, the beds vacated by the day shift were immediately occupied by the children returning from the night shift, and vice versa. "Starved to the bone," says Lloyd Jones, "flogged to their work, enduring miseries perfectly incredible at the hands of those who regarded them solely as implements of labour," their sufferings did not attract public attention until an epidemic broke out amongst them that alarmed residents in the neighbourhood for their own safety. Then commenced an agitation for factory and labour legislation, which came down to the present time, favoured by many because their sympathetic natures were shocked by the revelation of so much infantile misery, by others out of selfish regard for their own safety in presence of insanitary conditions at the factories, but always meeting with the bitter opposition of the manufacturers and economists. It is no wonder that, in the face of such facts as these—the atrocities of which were subdued only by means of long-delayed legislative interferences—the late Professor Cairns, although with apparent reluctance, had to admit that *laissez faire* "falls to the ground as a scientific doctrine," and that the late Herbert Spencer, with all his magnificent powers of analytical and synthetical reasoning, and unswerving loyalty to his conceptions of first principles, in vain placed himself in uncompromising opposition to any interference with the "régime of contract."

When thou hast talked a vein to temper,  
Aud with an argument new set a pulse,  
Then think, my lord, of reasoning unto love.

And so it is with human nature in everything, and human conduct must ever be actuated by circumstances which more directly appeal to human sympathies, rather than by remote considerations based upon utilitarian theories devoid of soul and feeling. The want of sympathy between employers and employed works much injury to both, by which the more dependent class suffer the most. Robert Owen, the recognised "father of modern co-operation," by his remarkable industrial experiment at New Lanark, on the Clyde, in Scotland, proved that this condition could be ameliorated and made tolerable, provided that employers could be induced to pursue a less narrowly selfish policy, and adopt the principle of profit-sharing with their workers. It was a situation which depended upon the initiative of the employers. They being willing, circumstances could be
created that would modify the character of the workers in the desired direction. This Owen practically and amply proved, but he also proved how despairingly hopeless it was to work out equitable issues under conditions which depended upon the initiative and personal character of private capitalists.

When but still a lad Owen proved himself to be one of the most successful mill managers of his time; so much so, that, before completing his nineteenth year, he was made a partner on exceptionally liberal terms, without solicitation or even expectation on his part, by an employer who took this step to attach to his own interests a young man of such rare character and abilities. Owen was also possessed of keen and easily-excited sympathies—an apparent incongruity in the mental constitution of a successful textile manufacturer, especially of that period—and his whole soul revolted against the barbarous and inhuman practices of his class, and the depraved and immoral condition and physical deterioration into which millworkers were sunk and sinking under the unchecked exactions of cruel and rapacious employers. He did not believe that all this misery was an economic necessity; on the contrary, his contention was that the extension of just and humane treatment to the workers could be turned to economic advantage. Possessed of these ideas, and looked up to with confidence and respect by capitalists owing to the staidness of his character, and the good fortune which invariably attended his business operations, he was successful in securing partners to join him in purchasing the New Lanark Cotton Mills on the Clyde, in Scotland, for £60,000, where he, as sole manager, had liberty to put his humanitarian principles into practice. He assumed control of the works on 1st January, 1800.

In an article on "Pre-Scientific Socialism," which appeared in the number for August, 1890, of a quarterly called "Subjects of the Day," the Rev. M. Kauffmann, a writer well and favourably known to co-operators, thus sums up what Owen achieved by his experiment:

"He built healthy dwellings for the people under his employ, with garden plots, at cost price; he opened stores where commodities could be purchased at wholesale prices; he provided a common dining-hall, to save the waste incurred in separate cooking establishments for each household; he founded creches for the reception of infants, and opened infants' schools, the first of their kind, we believe, and prohibited children under ten years from working in the factory; he made the training of the young, moral and physical, his chief care, encouraging at the same time amongst the adults habits of sobriety and saving. His scheme was crowned with success. Emperors and kings came to see with their own eyes this new Utopia in the valley of the Clyde, and to be told by the owner that 'the foundations of prosperous virtue and moral happiness are to be found in the wise appreciation of natural laws and their application to the social body by the rulers of mankind.'"

Unfortunately this unique success had not been achieved without producing strained relations between Owen and some of his partners. Although the business paid handsomely, they noticed such unexpectedly large sums expended upon buildings, teachers, literature, &c., as would materially add to the net profits of the business, and their cupidity was excited. The part which a well-paid and well-cared-for body of sober and loyal workers took in making the profits so exceptionally good was not recognised. It thus happened that in eight years' time from the commencement of the experiment, and in the full tide of its industrial success, Owen had to find new partners to buy out the discontented ones. The new co-partnery purchased the concern for £84,000, being £24,000 above the original cost.

In another four years' time Owen had again to confront an exactly similar trouble. He had no labour troubles to contend with; they all came from capitalistic greed. On this occasion the discontented partners schemed to force on the sale of the business by auction, hoping to be able to secure it at a low price before Owen could have time to find sufficient capital to protect his own and others' interests. In this they were disappointed.

A new co-partnery was formed, including the celebrated Jeremy Bentham, and a "sanctimonious" quaker of the name of William Allen, for whom Owen purchased the business at auction for £114,000—£30,000 more than it was purchased for four years previously—and he was prepared to give £120,000 for it had the necessity arisen. To show how needless and selfish were the complaints of the retiring partners against Owen's just and equitable treatment of the workers, an examination of the books disclosed that the net profits of the business during the four years the partnership lasted (after paying 5 per cent, on the capital) amounted to £160,000, returning them their capital of £84,000 twice over all but £8000.

Unfortunately for Owen, and more so, eventually, for his workers, the most serious troubles yet experienced commenced with the advent of Mr. William Allen, who soon placed himself in uncompromising hostility to the system of education in vogue at New Lanark as far too secular and irreligious to satisfy his extremely sanctimonious views. After fourteen to fifteen years of nothing less than religious persecution, Owen, who had successfully contended against other forms of opposition, had to succumb to this. Under the strain he was "driven out" of a phenomenally prosperous business, which he had built up by the intelligent devotion of nearly thirty years of his valuable life. It may be imagined with what an aching heart he had to abandon a model industry and a thriving and contented community of sober and intelligent workers, with their wives and children, a prey to capitalistic greed, and that "complacent religiosity of the prosperous," of which
John Morley said "it was hard to imagine a more execrable emotion."

After all, this was only anticipating what, sooner or later, must happen to an organisation so completely dependent upon the controlling influence of one exceptionally constituted individual as the New Lanark experiment was upon the personality of Robert Owen. Whilst the capital employed in a business is supplied by owners whose views of the compensation due to the workers are, according to "the iron law of wages" laid down by Adam Smith, that:—"The wages paid to journeymen and servants of any kind must be such as may enable them, one with another, to continue the race of journeymen and servants, according as the increasing, diminishing or stationary demand of society may require"—an experiment like that conducted by Robert Owen at New Lanark cannot hope to find imitators, although, perhaps, many admirers. In dealing with the workers Owen's success was complete. Their self-interest and the justice with which they were treated produced their natural effects. Their confidence was secured, and they submitted themselves to a discipline, and that a strict and exacting one, that developed in them characters of sobriety, ability and loyalty befitting faithful and intelligent workers in a concern that yielded such profitable and beneficent results to employers and employed alike. With the owners of the capital the drift was in an entirely contrary direction. It became a cause of grievance with them that the benefits were so mutual, and not more one-sided. The profits were good, exceptionally good; according to Bentham the only investment that gave him a profitable return, but they might have been very much better had Owen not expended so much money upon objects of what seemed to be sheer philanthropy and, according to Mr. William Allen, upon irreligious education, with all of which business proprietors, as such, were not supposed to concern themselves. It was now manifest to Owen that the reforms which he contemplated could not be carried out under a competitive system which placed the owners of industrial capital, and the workers who supplied the labour, in attitudes of antagonism towards each other as to what ought to be the equitable share of each of the fruits of their common industry. The solution of the social problem, evidently, called for an entirely new order of things.

CHAPTER II.

Early Propaganda Work and the Rochdale Experiment.

Robert Owen was fifty-five years of age when he was forced to abandon the New Lanark Community, an industrially profitable and a socially righteous institution, to the tender mercies of the anti-socialists and individualists of his time. We have seen the summary given by the Rev. M. Kauffmann of the wonders accomplished by Owen with this experiment. It will bear repeating in terms of an answer given by a co-operative pupil—Mary Collier, Wigan—to the question of: "What was done by Robert Owen for the people of New Lanark?" one of a series of questions upon which children attending co-operative classes were examined under the auspices of "The Co-operative Union," a permanent society supported by co-operative funds for carrying on propagandist and organising work, and for watching over the development of the movement on correct co-operative principles. The reply was as follows:—

"What Robert Owen found when he went to New Lanark:—

- The houses were in a tumble-down condition.
- There was a fearful amount of drunkenness in the village.
- Many of the mill hands were dishonest.
- They were cheated by the shopkeepers.

"What Owen did for the people of New Lanark:—

- He taught them cleanliness.
- He provided shops for them, and sold goods to them at a saving of 25 per cent.
- He built the first infant school in the kingdom, and the children were admitted as soon as they could walk, and he forbade the teachers to speak harshly to them.
- He provided a lecture hall and a library for his workpeople.
- He reduced their hours of labour and paid them more wages.
- He tried to get the other millowners to do the same, but they refused.
- He admitted girls and boys to the works at the age of twelve."

This, in juvenile phraseology, gives a very fair idea of what went down at New Lanark before those enemies of commercial morality and social justice—unscrupulous trade competition and the sordid greed of the
owners of industrial capital, and William Allanism—that kind of thing which has prevented the citizens of Melbourne for such a length of time from enjoying access to their own splendid possession in the Public Library on the only day of the week on which most advantage could be taken of it. Owen performed wonders when he tamed the cruel trade notions and heartless individualism of his time into some semblance of civilised regard for moral and humane principles, but the brutal and sordid elements eventually broke away from the restraints which Owen for so long managed to place upon them, and quickly destroyed the beneficent, and in every way successful, work of thoughtful and laborious years. The lesson, however, lived to give illustration to the new doctrine of society of which thenceforth Owen became the apostle, and with which his name has become permanently associated.

The New Lanark experiment, and the possibilities suggested by it, was a never-failing source of encouragement to the followers of Owen in their zealous endeavours to establish similar works with co-operative capital. To provide this capital was a formidable undertaking. The most sanguine enthusiast could not expect working men to save out of their earnings the amount of capital per head required for such a purpose. But Robert Owen taught more than one important lesson by his experiment. By means of a co-operative store which he organised for his workers, he enabled them to purchase their goods at prices which practically added 20 per cent. to their earnings, a form of co-operation which was adopted in other instances with sufficient success to prove its possession of great economic value. From this the idea came to be formulated that the profits of a co-operative store might be devoted to the creation of capital whereby workers could gradually employ themselves in the manufacturing industries, without feeling that any portion of their earnings were sacrificed in the process.

In theory the scheme looked plausible enough, but success did not attend its working. It was a radical mistake to look upon distributive co-operation as means to an end instead of making it a complete and perfect end in itself, to which all other forms of co-operation were but tributaries. It was a subversion of the economic order of things to make co-operative production the final cause of co-operative distribution, probably preventing the promoters of the movement from making an earlier discovery of the principle which made the Rochdale experiment the pioneer co-operative success. When the goods of a co-operative store were distributed at prices as near cost as could safely be determined upon, members were enabled, there and then, to make savings as purchasers of what, under ordinary circumstances, would have been dealt with as traders' profits. It, therefore, seems strange when co-operative societies adopted the practice of charging members such prices as were current with private traders that the amounts taken for goods, over and above cost of purchase and distribution, should have been divided upon share capital as trade profits, and not upon purchases as savings belonging to consumers—the primary object of distributive co-operation. The capitalistic idea of dividing profits upon shares still prevailed, and, notwithstanding the limitation put to the number of shares which any one member of a co-operative society could hold, the practice failed to comply with the demands of that strict equity which co-operators strove after. So long as members, whose interests in the share capital of a co-operative society would be high in proportion to the amount of their purchases from the store, were privileged to misappropriate any portion of the profits made out of trade with other members, the amount of whose purchases might be high in proportion to the value of their shares, there must be dissatisfaction. It would be tantamount to a miscarriage of justice and calculated to weaken the loyalty of the members upon whose trade the success of the business most depended. Until this was changed success did not attend the movement. Attempts to establish co-operative productive industries before the existence of an organised co-operative public to consume the products could not but fail to realise correct co-operative ideas. To induce wage-earners to tax their already too slender resources in order to establish a second New Lanark with co-operative capital was altogether hopeless, and the secret of creating co-operative capital out of the profits of co-operative distributive societies, and a co-operative community to utilise it in manufacturing goods for themselves, was yet to be discovered. The tendency of co-operative thought, inaugurated by the doctrines of society taught by Robert Owen, was in this latter direction, and "the silent tread of new ideas" set in motion by the Owenite and Christian socialist propagandists was preparing the way for the advent of the "New Social Order" so ardently hoped and worked for. The situation may be described in the words of a splendid passage from the writings of the First Lord Lytton, which that Grand Old Man of Co-operation, the late George Jacob Holyoake—the personal friend of the late Robert Owen, and whose death took place on the 22nd January, 1906, in the eighty-ninth year of his age, an active worker by voice and pen in the co-operative movement to the very last—adopted as the motto for the first chapter of the second volume of his History of Co-operation:—

"A new mind is first infused into society: it takes root, it expands silently, almost imperceptibly, for the surface of things remains the same; the same laws, the same form of government, the same acknowledged practices and customs still prevail. In the meanwhile the spirit that is abroad is breathed from individual to individual, from family to family; it traverses districts, and new men—men with new hearts and feelings unknown to each other—arise in different parts. A new people is dwelling with the old people, but their power
is little, for they have no ties of association. At last a word is spoken which appeals to the hearts of all, each answers simultaneously to the call, a compact body is collected under one standard, a watchword is given, and everyone knows his friend."

It was in a "fulness of time" created by the missionary labours of earnest and unselfish social workers—always in the "fulness of time," or new movements do not take hold and prosper—that the "word" came to be spoken that was to collect all practical social reformers into one body, "under one standard," but not to be recognised all at once, for like "the word" in the sacred story, it came into its own—to those who, above all others, needed the social healing it was destined to bring them, and they knew it not. Born of abject poverty, and cradled amidst squalor, infant co-operation had no "shepherds" to tender it homage, nor "star-led magi" to offer it devotion and gifts. How could it be possible that this could be the infancy of that which social evangelists and co-operative prophets for so long worked and prayed for? that in a comparatively few years this weakening was to develop such magnitude and powers as to fill "shepherds" and "magi" with so much admiration and respect as to feel honoured by obtaining a footing on the platform it was destined to raise, and to covet the privilege and distinction of presiding over a session of one of the congresses which were annually to assemble in its name? Now, private traders in Great Britain, and recently here in Melbourne, like the silversmith of Ephesus, perceive the danger of the movement to their calling, and, by a despicable attempt to establish a "boycott" against it, vainly endeavour to strangle that which their class failed to recognise, and induce some Herod or Premier of the time to strangle in its contemned infancy.

What the wisdom of men of learning and ability, possessing a sound knowledge of social and economic principles, profoundly in earnest and absolutely pure in motives, failed to accomplish for co-operation, was the discovery of a few impoverished and unlettered flannel weavers in Rochdale in 1843. These men did not trouble themselves with lofty ideals of social reform; they had to confine themselves to the solution of the smaller, but to them more immediately important, problem of how to economise the expenditure of their miserably low earnings so as to get a little more in return than could be obtained by dealing with the retail shopkeeper. This they calculated to accomplish by combining their resources for the purpose of purchasing at wholesale prices what little of life's necessaries their means could command and distributing them amongst themselves at cost. There was nothing new in this; the principles were well known, but the development of the hitherto undiscovered secret of successful practical co-operation had yet to come, and to come in so simple and natural common-sense a manner as to cause surprise that it did not disclose itself long before to some one or another of those who were so eagerly seeking after it.

"The Rochdale Pioneers" were twenty-eight in number. They commenced business as a co-operative society with £28 capital, or £1 per head, put together with a great amount of patience and perseverance in two-penny instalments. For a store they rented a room in a dilapidated building in a dismal locality, appropriately enough called "Toad-lane," and from there, on appointed evenings, distributed their goods under conditions so poverty-stricken and mean as to excite the jeers and contempt of the inhabitants of that slum neighbourhood. Simple, common-sense rules were adopted for conducting the business. Credit they could not afford, as the cash must be turned over quickly in order to keep the concern going, and, in itself, was a thing uneco-nomical and demoralising which they decided neither to take nor give. Capital was to receive interest at the rate of 5 per cent, per annum, and nothing more, for these men were not trading as capitalists for profit, but to effect savings as consumers. In order to protect the store against working at a loss, it became the rule to distribute the goods at such prices as were current with private traders, and when a balance-sheet was made out—once a quarter being the period decided upon, a practice afterwards generally adopted by other co-operative societies—the surplus takings, after payment of all expenses, including interest on capital, and making provision for contingencies, were handed back to members, not as shareholders, but as consumers in proportion to the purchases of each from the store.

The retail prices, as already pointed out, were not fixed at rates current with private traders in order to make profits, but in order to avoid losses; but the practice of making what, in ordinary business, go under the name of profits, and distributing them at quarterly intervals amongst members upon their purchases gave them such palpable and gratifying evidence of the benefits to be derived from co-operation—an element in which schemes that failed were wanting—as to secure their firm loyalty to the store and to attract others to it. "This," in the words of Holyoake, "was the discovery that created co-operation," a sentiment fully confirmed by cooperative experience right through from the Rochdale experiment which inaugurated the movement to its latest development. To depart from it would not only be inviting disaster but insuring it.

Among the Pioneers Holyoake says "was an original, clear-headed, plodding thinker—if that conjunction of terms be intelligible—one Charles Howarth, who set himself to devise a plan by which capital could be obtained and the permanent interests of members secured." There was no idea of borrowing here; the capital has to be obtained by hoarding the savings of members and applying them to the purchase of more shares. In order to accomplish this a rule was adopted that the quarterly dividends upon members purchases be not
withdrawn from the society until, in each; case, they accumulated to £5, when scrip would be issued for that
amount.

The rule worked admirably, adding greatly to the power of the society as a trading and provident concern. At
the outset the trade capital was barely sufficient to meet the requirements of members themselves, so that
non-members who might be willing to make purchases at the store, but unable to contribute their individual
proportion of share capital, could not for the time be accommodated. As the funds of the society increased per
member the Pioneers could then extend helping hands towards their poorer neighbours. This was done
humanely, as wisely, by admitting them as customers of the store, with the privilege of members as to
dividends upon purchases, but not as to voting, until the savings of each amounted to £5, when scrip would be
issued for the amount and the recipient registered as a full member.

Here was a marvel—persons so poor that only a few could contribute £1 each to the capital of the society,
and that by saving it up with painful perseverance in two penny instalments; others too poor to contribute any
capital at all; yet, by making all their purchases at their own cooperative store, "they eat and drank themselves,"
as Holyoake quaintly put it, into each becoming the owner of a £5 share of the society's capital. John Bunyan's
religious paradox can hardly appear more absurdly self-contradictory:—

A man there was, though some did count him mad,
The more he gave away the more he had,

The following is from a letter published in the "Co-operative News" of 1st March, 1879, signed "George
Scott," and well worth quoting here:—

"We have, through the Rochdale system of saving money, thousands of working men to-day who can lay
their hands on ten, twenty, and, in some cases, a hundred pounds who otherwise would never be in possession
of a single farthing. And I have heard during the years I have been identified with the movement hundreds of
husbands and housewives say that they never felt any craving to save money until they found themselves
(without any exertion or effort on their part) the happy owners of a £5 share in a co-operative society."

The Pioneers, or, as the society was named, "The Rochdale Equitable Pioneers' Co-operative Society,"
commenced business on the 25th April, 1844, with twenty-eight members and £28 capital. In 1845 the
members increased from twenty-eight to seventy-four, and the capital from £28 to £181, or from £1 per head to
nearly £2 9s. The trade for the year was £710 and the net profit £22.

In 1850, or five years later, the membership increased to 600, and the funds to £2289; the year's turnover
was £13,179, and the net profits £850. 'This was certainly an excellent six years' progress from a beginning so weak and unpromising, and a
progress that went on increasing like the proverbial snowball. Suffice it to say that, in 1901, the Rochdale
Equitable Pioneers had 12,447 members, and £286,868 capital. The turnover for the year was £283,310, and the
net profits £44,221. From first to last more than £1,250,000 were distributed amongst members as dividends
upon their purchases, which, but for co-operation, would all have gone into the pockets of private traders and
middlemen.

But it was not in the creation and equitable distribution of material wealth alone that this society has been
the pioneer of modern co-operation, and stamped it through and through with its own character. The following
is from an article on "Co-operation Amongst the Working Classes" which I contributed to "The Melbourne
Review" for January, 1881, and gives as good a conception of the educational side of the movement as would
any data I could now look up:—

"From an early period of the history of the Rochdale society 2½; per cent, of the profits were devoted to
educational purposes. The amount which this yielded was small at first, but, increasing with the prosperity of
the society, the expenditure for many years has been over £1000 per annum. The consequence was that in
1877 the Pioneers had a magnificent reference and circulating library of 13,000 volumes, including some of the
most valuable works which could be purchased, and during the past year the issue of books had been over
37,000. They had art and science classes, in mechanical and architectural drawing; practical, plane and solid
geometry and applied mechanics; steam and steam engine; and accoustics, light and heat" (Holyoake). In 1878
they established classes for the study of botany, physiography, and geology, and a chemical laboratory had
been fitted up at considerable expense."

Thus the Rochdale Pioneers, although not starting with the idea of making profits and hoarding them so as
to accumulate capital—that being a subsequent development of the movement—nor with elaborate views, if
any, respecting social reconstructioN. Yet, actuayed by the primary and simple idea of combining their
resources for the economical purchase and distribution of as much of life's necessaries as their extremely
limited means could afford and capitalising their savings, they set such a train of ideas and circumstances in
motion as promises, by the natural law of evolution, to realise all the ambitious projects which able thinkers and earnest social reformers had contended for in vain. From prudential motives goods were distributed (as already mentioned) at such prices as ruled with private traders, not for the purpose of making profits, but in order to avoid losses; and the restoration to members, as dividends upon their purchases, of such moneys as remained on hand after all expenses had been paid for, afforded facilities and created a desire for saving which led to the phenomenally rapid growth of the society in members and wealth, and to the spread of co-operation as a social movement. The propagandists had now a new experiment to work from that gave completeness to practical co-operation as a system of society. The New Lanark experiment answered a great purpose by supplying magnificent evidence of the enormous good that could be achieved by the co-operation of Capital and Labour in industrial enterprises, provided the conditions of success could be made stable. Enterprises of this character, however, would still be unco-operative, inasmuch as they would have to exploit the general public for business in competition with other manufacturers and traders. On the other hand, the Rochdale experiment demonstrated how wage-earners could successfully co-operate to cater for themselves as consumers, and in the process create savings by means of which wholesale and manufacturing enterprises could be undertaken, not for the purpose of exploiting the general public for profit, but in order to supply the wants of members of co-operative associations, and it is from this point of view that the movement has to be intelligibly regarded.

CHAPTER III.

The Spread of the Co-Operative Movement.

Like all popular movements, co-operation had to make headway against numerous social and political difficulties, and much hard work had to be done to clear the way.

In a little work written by Messrs. A. D. Acland and Benjamin Jones on "Working Men Co-operators," we read that:—"In the very years in which the small Rochdale society was beginning, working people were making themselves heard and felt in the State, and legislation was making their lives more free and their power for self-help greater. In 1844 was passed one of the most important factory Acts, to be followed in 1847 by the famous 'Ten Hours Act' (the Act towards which John Bright and the manufacturers displayed so much hostility as to delay its passage through the House of Commons for ten years). "In 1846 the development of amalgamated trades societies was made possible, and legal protection was given to great friendly societies. In the same year the Corn Laws were repealed. It was at the time of the great revolutionary epoch of 1848-9 that co-operation began to march with giant strides. With shortened hours of labour, with cheap food, with encouragement to cooperate for self-help without the old fears of fraud and failure, there was something to work for."

The Provident Societies Act was amended from time to time so as to give greater trading facilities to co-operative societies registered under it, and the passing of the Public Libraries Act, and repeal of the duty upon newspapers in 1850 to 1855, enormously increased the opportunities for educational and social propaganda work, of which ample advantage was taken. The notable success achieved by the Rochdale Pioneers was extensively published amongst the wage-earning classes, and the principles which led to such strikingly beneficent results were so simple and easily comprehended that societies commenced to be formed in various districts on what came to be known as "the Rochdale plan." So accurately was this system worked out by the plain, sensible men who conducted the experiment that the more completely it was copied by the societies which followed the more successful they became, and that remains true right down to the present time, not only in Great Britain, but on the Continent of Europe.

A highly important lesson taught by the pioneers was, not only that it was possible to make a great co-operative success out of a small beginning, but that a small beginning was a valuable contribution to co-operative success. In the evolution of things it was the birth of a "new social order" that was taking place—a new movement requiring "new men, men with new hearts and feelings," with new ideas and new social aims, and a new and special training in a new school of experiences, which had to progress from simple and easily-understood and easily-dealt-with conditions, automatically developing new tendencies and possibilities, and the workers in it developing the increased aptitudes and attributes necessary to guide it towards higher and wider issues. Until the general public are thoroughly educated in co-operative principles and methods, a society commencing on a large scale is certain to include a quantity of uncongenial and disconcerting elements which have to be assimilated or eliminated before success can be achieved. The smaller beginnings bring the more congenial elements together to start with, and make progress by gathering in more and more of a similar
character as time goes on.

But although the initial conditions out of which powerful co-operative societies have grown were simple enough in the sense of being free from complexities puzzling to the understanding, success in most instances was only achieved by the exercise of much patient self-denial, frequently extending over many years of plodding, discouraging hard work. But not greater than, nor probably so great as, the cares and anxieties and many self-denials endured by the creators of private fortunes, whose risks in working up and conducting businesses under competitive conditions ought to be much greater than those attending the development and management of the business of a co-operative society, with its assured and organised trade. Co-operative societies have outlived crises in their history under which private enterprise must have collapsed, and if the rank and file of wage-earners properly understood this, and the enormous power which rests in their hands unused, they would estimate the value of their leaders less by the vehemence with which some of them apply epithets, of the "fat-man" order, to the owners of private wealth, and more by a display of honest energy to organise their fellow-workers into co-operative societies by means of which they could win for themselves the wealth which now flows into private hands. In order to make this clear and convincing, it will be necessary to give a few instances of how great and wealthy co-operative societies have developed from extremely insignificant beginnings, by adopting, and faithfully adhering to, the simple and easily-understood system discovered by the Rochdale Pioneers, and to prove how open it is for any association of persons of ordinary intelligence and ability to follow the example—perseverance and determination to succeed, and an honest, unselfish leadership, being the qualities most required. The so-called "fat man" is here because necessary to the period of social evolution to which he belongs, and it would be very absurd to think that he was to work "for the fun of the thing," and not for all that he might be able to make out

THE DERBY CO-OPERATIVE society.

This society was started in 1849, in a hay-loft, by a few poor carpenters and joiners, who injudiciously, as it turned out, limited membership to persons of their own trade. For may years they had a most painful struggle. The thing looked hopelessly poor. For the quarter which ended with December, 1853, the sales only amounted to £173, and the profits out of which to pay interest on capital and dividends on purchases to £5 0s. 10d. For the second quarter of the year 1855 the sales were only £200, with a diminishing trade, and in 1857 the sales were falling off at the rate of £10 a month. This seemed too absurd altogether, and it was no wonder that the proposal was made "to smash the thing up," yet the resolution was not carried. Four of the directors opposed it, and resolved to continue the struggle. They made a recommencement by rectifying the error committed when the society was started, and made membership open to persons of any trade or calling. The immediate response was far from reassuring, for in 1860 the society consisted of only forty members, the not very brilliant result of over ten years' work. If the promoters had been socialistic politicians they would have abandoned this absurd fooling with socialism at a very early stage of its miserable existence, and claimed the experiment as conclusive evidence that this was a matter for State initiation and administration, and impossible to bring about by means of a voluntary association of private individuals. The directors and few members who remained loyal to the society evidently felt otherwise. The Rochdale society, which was started only five years before theirs, was thriving steadily, an object lesson which must have inspired them with a dogged determination not to be beaten, which eventually brought its reward. Nothing else would account for the display of so much perseverance and fortitude. In 1862—fifteen years after the commencement of business in the hay-loft—the society had 700 members, with sales amounting to £450 per week, or £22,500 per annum, making savings which admitted of 1s. 8d. in the £ to be returned to members on their purchases. The period of distress was now over; the society prospered rapidly, and grew into a powerful and wealthy institution. In 1902 it had 15,939 members, and a share capital of £224,426. The year's turnover was £439,000, and the profits £64,409, of which £54,882 were returned to members as dividends upon their purchases.

In the "Co-operative News" of 9th April last a report is published of a "Big Demonstration" which took place to celebrate the opening of a new five-story warehouse, erected by this society at a cost of over £21,000, to stock which "took the contents of nearly sixty railway waggons." With the exception of some ironwork, "the entire building had been erected by the society's own workmen," and the stock was supplied by the Co-operative Wholesale Society—loyally co-operative right through. "The new warehouse has been erected on a site in close proximity to the St. Mary's Wharf of the Midland Railway Company, having a frontage to Wood-street of 212 ft., and a frontage to Fox-street of 116 ft. The total length of the warehouse is 128 ft., and its width 72 ft. It contains five floors and basement, all of concrete, and supported on iron columns, with rolled steel girders and joists. The total area of floor is 56,000 ft. For lighting the interior of the buildings there are 390 lamps, equal to 6000 c.p., while outside five arc lamps are fixed. At the rear of the premises are the stables for twenty-five horses, with harness room, lofts, &c., and a cottage containing living room, parlour, three
bedrooms, and bathroom."

The article from which the above is an extract opens with the statement that "so far as money and members were concerned the pioneers of co-operation in Derby held a very weak position . . . their total capital was only £2, and their numerical strength was a dozen."

From such an origin developed a society of 17,000 members, with corresponding trade and wealth, yet, not with standing the marvellous results eventually arrived at from an origin so despicably and hopelessly insignificant, it will be found to form no unique record in the history of co-operation. Similar results can always be achieved when the right men take the work earnestly in hand of urging, instructing, and organising their fellows.

**The Gateshead Co-operative Society.**

In 1859 a few railway men-proposed to open a co-operative store at Gateshead. The idea was ridiculed. A small commencement was made in 1861, and the business for the first year was so paltry that one of the directors left the store in disgust, and never took further interest in the society. This man was typical of the men who fail. The men who refuse to accept defeat, when convinced of the righteousness of their cause, and that the exercise of patience and common-sense and loyalty to principle only are necessary to command success, were represented by the remaining directors, who stuck faithfully to their work, making up parcels and delivering goods in a hand-barrow up to late hours on Saturday nights, and never losing an opportunity to reason with their fellow-members so as to preserve their loyalty to the store, and induce others to join it. It took years of hard, anxious work, but success eventually crowned their efforts.

In 1899 the society had 11,400 members, with a trade capital of £114,000, or an average of £10 per member. It had nine branch stores, the central store being worth £20,000. The year's business turnover was £374,000, and £58,000 was available for distribution amongst members as dividends upon their purchases. The society had £50,000 invested in members' dwellings.

The satisfactory progress made by this society in two years' time may be seen by comparing the above figures with the returns for 1901. In that time the membership increased to 12,284, the capital to £127,914—more than maintaining the average share per member—and the year's business turnover to £424,888. The profit for the year was £69,256, and the amount invested in members' houses had increased to £66,434.

**The York Co-operative Society.**

This society had a very weak beginning, starting in 1858 with 130 members, but only £26 4s. 3d. capital, or 4s. per head. For twenty-five to thirty years the struggle was hard, but the right men were there, and, given these, it becomes only a question of time to overcome difficulties which success only could prove not to have been impossible. In 1888 the society had 438 members, with a capital of £635—not quite 30s. per head—and an annual trade of £3420. It took a long time to accomplish this, and one can only marvel at the patience manifested by the devoted and earnest workers conducting this slowly-moving business. From that year things commenced to progress more rapidly. In ten years more—in 1898—the society had 6000 members, with a capital of £40,000—well-nigh £7 per head—and an annual trade of £126,000. In the last five years of that period £52,710 was divided amongst members on their purchases. Numerous branch stores had been opened, and a magnificent pile of buildings, costing £20,000, was completed and opened for business in 1899. In 1901 the society had 7700 members, and £67,417 capital, getting on well to average £9 per head. The year's trade was £179,243, and the net profit available for dividends upon members' purchases was £24,007—a success well worth working and waiting for.

**The Royal Arsenal Co-operative Society, Woolwich.**

In marked contrast to the affluent commencement of the Civil Service Co-operative Society of this city, the Woolwich society had a very humble beginning, notwithstanding the powerful body of Government employees to which the promoters belonged. It was started in 1869 "in a little back room, a bench covered with American cloth for a counter, a small desk for the secretary, and a chest of tea for the principal stock." The whole thing was only a few shillings over £7 in value. So stated Dr. William Anderson, Director-General of the Ordnance Factories, in an address given at the opening of an exhibition connected with the Co-operative Congress for 1896, which met at Woolwich. By that date the society had been worked up to possess a capital of £86,000. The trade for the year was £166,000, 10 per cent. of which, or £16,600, was available for dividends upon members' purchases. In September of the following year (1897) the members were called together to inaugurate the opening of a fifth branch store. On such occasions statistics are produced, so "that all may learn and all may be
comforted" by the progress made. In this year the society had 10,000 members, with a share capital of £115,000—being £29,000 more than on the previous year—and the year's trade was over £200,000. From first to last the society had distributed £250,000 amongst members on their purchases, and £45,000 had been advanced upon members' dwellings, and "not one bad debt made."

Co-operative capital and savings increase so fast that new uses have to be found for them, so that the interest charge may not press too heavily upon what otherwise would be an over-capitalised business. This is what Lord Rosebery alluded to when he said, in his presidential address to the delegates which formed the Annual Co-operative Congress, which met at Glasgow in 1890:—" You have got hold of a good live principle that will lead you on, that will push you along the path of progress . . . and I say this, that it is perfectly clear that, as you have realised certain theories, they will carry you on whether you like it or not; having accumulated certain capital, you will have to face its employment sooner or later."

Under pressure of this nature the Royal Arsenal Co-operative Society had purchased 175 acres of land, upon which it was decided to build a model town of 4000 to 5000 houses. On the 25th May, 1900, the first brick of the first house was laid, and on the 17th October of the same year the members were called together to inaugurate the scheme. By that later date—that is, in less than five months from the time of laying the first brick—twenty houses were ready for occupation, another twenty had the roofs on, and thirty more were well advanced.

The delegates who attended the Annual Co-operative Congress which met at Stratford in 1904 were conducted over this property, the area of which had apparently been added to, and to which reference is made in the "Co-operative News" of 4th June of that year under the heading:—

**Bostal Estate.**

"This estate of 190 acres, the property of the Woolwich society, where houses are being erected by the works department of the society for the members, is possibly unique in the co-operative world. Over 600 houses are completed, and there is no trouble in disposing of the same. Trams, chartered by the society, met the delegates at the gates of the Arsenal for the purpose of conveying them to the estate. Here tea was provided in the Co-operative Hall, after which parties were conducted through the workshop, where the woodwork for the houses is prepared, and the flagstones for the pavement and window sills are manufactured. The Chalk Pit, on the model of a coal mine, was visited, and this being lighted by electricity, was the cause of much wonderment. Messrs. J. T. Harris and T. Smith, of the Woolwich society, conducted small parties through the Bostall Wood, where an al fresco concert on a small scale was held, and thoroughly enjoyed."

In 1902 the society had 18,662 members, with a share capital of £297,765. The trade for the year was £376,536, and the amount distributed to members on purchases £51,936; £163,812 was invested in members' houses.

**THE BESWICK CO-OPERATIVE SOCIETY.**

This society also had a small beginning, but made a fairly rapid progress. It started in 1892 in a densely-populated working men's suburb of Manchester, where, by precept and example, the people were well educated in the principles of co-operation, and well versed in the practical benefits which belonged to it. When the society was registered it had seven members, but the numbers increased so rapidly that the first quarter's business amounted to £700, indicating a very successful start. In twelve years' time, on 11th April, 1904, the society had 4800 members, and the trade for the quarter was £25,460, or a yearly trade of over £100,000. The dividends paid to members on their purchases for the year previous was 2s. 9d. in the £, amounting to £12,943. The society owned ten grocery establishments, and extensive new premises were in course of construction. The members were increasing at the rate of 50 to 60 a week.

This is the kind of progress which becomes possible when wage-earners are co-operatively educated and co-operatively led. The Beswick society did not escape the early hardships which seem to be invariably characteristic of the movement. In its third year the store appointments were as yet of a bare and primitive character. "The board of management had to sit on empty cheese boxes, and every bit of work had to be done free of expense." This was a statement by Mr. Brooks, who was on the society's committee since its third year, and who added:—" We have taken the movement to the doors of the people, and in the winter time we have visited the people in their homes." Co-operation is a thing that cometh not by the uttering of platitudes about "the uplifting of humanity and the calling of three cheers for God and humanity," backed by the enforcement of Labour laws that would have crushed out co-operation in almost every instance if applied in the initial stages of society formation, when work for long hours and without remuneration were necessary to build up institutions for working men that were to increase the comforts, leisure, and opportunities of all connected with them. The
distinction to be drawn between the treatment constantly necessary to check the evils chronic to competition as a trade system, and the temporary difficulties and sacrifices which wage-earners have to encounter in laying the foundations of a trading institution of their own by means of co-operation, have yet to be properly understood and allowed for. Co-operation, to emerge successfully from any difficulty, has to be left very largely free from extraneous interferences. Troubles within itself can be overcome if a sufficient number of members are intelligent enough to understand what they are about, and prove loyal to their own interests, and never fail to give their custom to the store.

Just one instance more to illustrate the capacity of a cooperative society to recover itself from financial difficulties that would inevitably involve private enterprise in ruin.

The Leeds Industrial Cooperative Society, over thirty-five years ago, lost £50,000 in a colliery venture, and for a moment the existence of the society was threatened. But the directors and members were co-operators who knew what could be accomplished by the powers which lay in them, when loyally and faithfully exercised, and they decided to stand by the store. It has to be remembered that members of a co-operative distributive society, out of which the wealth is created that gives expansion to the movement, are, first and foremost, customers, each supplying his or her own individual share of trade capital. The trade is, therefore, assured with all its great profit-making capabilities, and not dependent upon the public goodwill, which generally fails when most needed. To make up the loss of capital the profits of the Leeds Industrial were reserved for some years to build up a redemption fund; the financial position was soon recovered, and the society again became an exceptionally powerful institution. In 1901 it had 48,960 members, with a capital of £742,140, being over £15 per member. The trade for the year was £1,474,507, and the net profits £237,357; £224,817 was invested in members' dwellings.

The above instances are typical of the many hundreds of distributive co-operative societies which followed in the wake of the success established by the Rochdale pioneers, each and all demonstrating that co-operative success can unfailingly be won by the loyal and faithful observance of well-tried and, withal, simple conditions, neither so venturesome nor hazardous as those which, as a rule, fill the lives of private traders with care and anxiety—a lesson which ought not to be thrown away upon working men. So far we are only on the fringe of the subject as a movement which clearly embraces within its evolutionary sweep the creation of a new social order, and the next step will be to follow its natural and automatic development towards that end.

CHAPTER IV.
From Distributive to Wholesale and Productive Co-Operation.

As distributive societies, formed on the Rochdale plan, increased and multiplied and felt each other's presence and influence, the same simple motive which formed the raison d'etre of the co-operative distributive store asserted itself in moving several of the societies to co-operate with each other in order to establish a central wholesale purchasing agency, so as to avoid competition amongst themselves in the wholesale market, and to secure, by collective purchases of considerable volume, greater benefits than each society could command by purchasing on its own individual account.

With this object in view, we are informed that "the Christian socialists started a Central Co-operative Agency in London in 1850," and that the Rochdale pioneers opened a wholesale department in 1855, but that neither of them proved successful.

These efforts were not quite on systematic co-operative lines, although, if successful, they might have proved great conveniences to many of the societies, and might have worked by degrees into organic form. A co-operative wholesale society, to be the centre of a complete system, must needs be the act of a federation of individual societies themselves, moved by an impulse identical with that which, in the first instance, caused individual citizens to form co-operative distributive societies. Things sooner or later must have developed in that direction, and the impulse was accelerated by the marked hostility displayed towards the co-operative societies by private shopkeepers, who threatened to withdraw their custom from such wholesale merchants and manufacturers as supplied the societies with goods to the injury of private retail traders. In the endeavour to establish a central co-operative wholesale society, an illustration is given of the power possessed by organised numbers to promote schemes productive of mighty results by monetary contributions of the most minute and insignificant value per individual, which is worthy of attention. Holyoake says:—"At a conference of delegates
from provident and industrial societies, held at the King-street Stores Meeting Rooms, Oldham, on 25th December, 1862, it was resolved—'That all cooperative societies be requested to contribute one farthing per member to meet the expenses that may arise.' The purposes for which the money is required are—to meet the expenses of the committee in carrying out the resolutions of the conference, viz., to remedy a few defects of the Act 1862 in the present session of Parliament; to prepare plans for a central agency and wholesale depot; and consider plans for insurance, assurance, and guarantee in connection with the co-operative societies. Therefore your society is respectfully solicited for the above contribution of one farthing per member.' At this conference—financed by the farthing contribution of members of co-operative societies—a plan was submitted by Mr. Abraham Greenwood, of Rochdale, for establishing a wholesale society, which was adopted. The society was enrolled in 1863, and commenced business in Manchester on 14th March, 1864, under the title of "The North of England Co-operative Wholesale Industrial and Provident Society Limited," afterwards changed to its present title of "The Manchester Co-operative Wholesale Society Limited."

A number of distributive societies federated to form the wholesale, providing capital at the rate of £5 for every ten of their members. One shilling per share was to be paid upon application, leaving it optional to pay up the balance in cash or out of accruing dividends upon purchases as societies might find most convenient. In this way the wealthier societies helped the smaller and weaker ones, and the wholesale got the business on cash terms.

This was but the application to co-operative wholesale trading of the plain and simple principle of collective purchasing, and distribution of profits as savings on members' purchases, discovered by the Rochdale Pioneers, the adoption of which by other societies made distributive co-operation such a signal success, and now destined to vindicate itself on the more extended field. Social reformers were beginning to perceive possibilities of greater and still greater triumphs for the movement by the extension of principles in co-operative economics which had for its objective the welfare of consumers—that main body into which all other classes must merge and lose themselves, as rivers are lost in the sea—and they proceeded with care and "the taking of infinite pains" methodically to develop them. The history of the Co-operative Wholesale is similar to that of each of the societies which combined to start it—a small beginning, steadily gaining ground by patient, prudent, intelligent attention to the business and active propaganda work among the societies to induce them to join and strengthen the federation. This was the great idea now—federal co-operation by the development and ramifications of which the whole social world could be conquered, a system, inaugurated by the help of people's farthings, yet calculated in course of time probably to render powerless the syndicates, trusts and combines promoted by J. D. Rockefeller and Pierpont Morgan millions.

Although there were over 500 co-operative societies in Great Britain at the time the Wholesale was started, only a small number, having a total of 18,337 members, entered the federation. The business was started in an office in Manchester, significantly described as "obscure," with a capital of £2455. For the first thirty weeks the turnover was £51,857, on which a profit of £267 was realised.

In 1869 the members of the combined societies numbered 74,737, providing the Wholesale with a capital of £32,062. The sales for the year were £412,240, and the net profits £4862.

In that year the business was removed to the situation in Balloon-street, Manchester, now occupied by the Wholesale Central Buildings. The new premises covered about 230 square yards, and altogether could afford but spare accommodation for anything like a large business, yet one or two of the directors felt so apprehensive lest the forward step which had been taken might prove risky that they suggested the propriety of letting off a portion of the building as a matter of precaution. This pessimism the more clear-headed of the members of the board overruled, and circumstances very soon justified their confidence. The business increased at such a rate that in 1871 a branch had to be opened at Newcastle to accommodate societies in that district. In 1874 a branch was opened in London, and so on to the opening of branches, depots and salerooms at various co-operative centres.

In 1874, when the London branch was opened, the number of members belonging to the societies which constituted the Wholesale were 168,985; the share and loan capital was £200,044, the year's sales £1,153,132, and the net profits £11,116. This was ten years after the Co-operative Wholesale Society's "obscure" beginning, and five years after the removal of the business to the Balloon-street premises—a step which some of the directors regarded with apprehension and anxiety. In 1904 the number of the federated societies was 1150. The capital of the Wholesale in shares and loans was £2,965,709, the trade for the year was £19,809,196, and the net profits £386,074.

Immense as these figures are, they are not nearly the whole. The Scottish Co-operative Wholesale Society Limited—an independent, but affiliated, institution—was started in Glasgow in 1868 by twenty-seven shareholding societies with £900 capital. After thirteen weeks' trading the capital increased to £1795; the sales for that period were £9697, and the net profits only £48. The society, however, prospered rapidly, and branches were opened at Edinburgh, Dundee and London, and at Enniskillen in Ireland. In 1904 the number of the
societies forming the Scottish Wholesale was 279. The share and loan capital was £2,130,225, the sales for the year were £6,801,272, and the net profits £256,910. The statistics of the English and Scottish Wholesale Co-operative Societies combined run into stupendous figures, and it is in this light of oneness that they are considered in the co-operative organisation. In 1904 1429 societies were federated in the two Wholesales, with a share and loan capital of £5,095,934. The combined sales for that year were £26,610,468, and the net profits £642,984.

As the Co-operative Wholesale Societies prospered productive and other forms of co-operative enterprises were entered upon, line by line, and many difficulties have been overcome which, at one time, were thought to place a bar against the development of the movement beyond its organisation as a wholesale purchasing and distributing agency. The Manchester Wholesale has large capital invested in biscuits and sweets works, boot and shoe works, soap and candle works, woollen cloth works, flour mills, clothing factories, cocoa and chocolate works, shirt, mantle and underclothing works, flannel mills, &c. It has purchasing agencies in Cork, Limerick, and Armagh in Ireland, also in the United States, Canada, Australia, France, Spain, Denmark, Germany and Sweden, and a fleet of eight steamers trading between English and Continental ports. It has thirty-nine creameries, with fifty-one auxiliary ones in Ireland.

The Scottish Co-operative Wholesale has established numerous and highly-prosperous industrial concerns. At Shieldhall, near Glasgow, it has factories for boots and shoes, leather currying and tanning, cabinet works, brushware, ready-made clothing, preserves and confections, coffee essence, drug and drysaltury, hosiery, pickles and sauce, printing and bookbinding, tobacco, tinplate, artisans' clothing, building and mechanical works. At Glasgow it has factories for bespoke clothing, mantles, underclothing, shirts, umbrellas, waterproofs, boots and shoes, aerated waters, sausages, bacon-curing, saddlery, building and electrical fittings. It has large flour mills at Edinburgh—one not long ago purchased at a cost of £80,000—flour mills and dress factory at Leith, aerated waters at Stirling, soap works at Grangeworth, tweed and blanket mills at Selkirk. At Enniskillen, Ireland, it has a ham, butter and egg depôt and a creamery—the first in that county to use electricity for power—and six creameries and seven auxiliary ones in other localities. The English and Scottish Wholesale conjointly own cocoa works in Bedfordshire, a tea and coffee department in London, and two tea estates—one at Nugawella and one at Welliganga—in Ceylon. Banking forms a great feature of the Manchester Wholesale business, and has attained vast proportions. A "loan and deposit department" was opened in 1872, and was classified in 1876 as the bank department. For 1883 the turnover in this department was £9,000,000, for 1902 the receipts were £42,376,364, and payments out £42,268,675. The profits on the latter year's transactions were £18,708. A paragraph in a pamphlet, called "The Wholesale of To-day," issued by the Manchester C.W.S. in 1903, says:—"The number of retail societies having their accounts with it (the bank) are 694. A number of trade unions, friendly societies, building societies, and productive societies have placed their accounts with the bank."

1844—hardly more than sixty years ago—was the year of "The Discovery which Created Co-operation" made by twenty-eight half-starving flannel weavers in Rochdale at a time of great trade depression and want of employment. On the 25th April, 1844, these poor men commenced business with a capital of £28, saved up by painful self-denial in two penny instalments, catering for themselves as consumers and dividing the surplus takings, usually denominated "profits," amongst members as savings, and not as dividends upon capital—a radical economic distinction and difference. Can this really be the origin of the wonderful movement represented by the above formidable statistics? It is, beyond a doubt, and, by observing the original economic principles and practical methods the adoption of which made the Rochdale experiment so signal a success co-operators, under pressure of increasing numbers and collective wealth, are forced on to develop phase after phase of the movement-distributive, wholesale, productive, educational, social—until, step by step, the tapping of every source of supply, near and far, comes to be included in a comprehensive scheme of economic reform, presenting a remarkable illustration of the Spencerian theory of "Society as a Growing Organism."

**CHAPTER V.**

**People's Credit Banks.**

Mr. H. W. Wolff, the authority upon "People's Banks"—under which title he published a valuable little book in 1893, and who is a frequent contributor to the Manchester "Co-operative News" and to periodical publications on co-operation and popular finance—when commenting upon the differential lines upon which co-operation was developed in the United Kingdom and on the European Continent, observed:—"People
naturally seek relief first where the shoe pinches them most." In Britain the pressing need of the ill-paid millworker was to escape the exactions of the private trader; on the European Continent the immediate necessity was to liberate the small farmer, peasant proprietor and city artisans from the clutches of usurious moneylenders.

In Germany about 1849 Schulze-Delitzsch commenced an agitation for persuading individuals of a craft or trade to form co-operative societies for obtaining loans for their members on easy terms, for the repayment of which all the members were to be collectively responsible. It is easy to understand that no person could gain admittance into a society of this kind unless known to be of irreproachable character both as man and as workman, and the responsibility being collective, care was to be taken that no loans would be granted for general debt-paying purposes. They must have some specific and approved object in view to which the advances must be applied, and to no other.

In 1850 an association was started at Delitzsch—Mr. Schulze's native place—and another soon after at Eilenburg by Mr. Schulze's friend Dr. Bernhardt which at the start was rather the more successful of the two; 396 members joined the Eilenburg society the first year, depositing with the bank £336; £555 were borrowed by the bank, enabling it to make advances of £1320 for the year, by which a profit of £21 7s. 6d. was realised. This was considered satisfactory, and association after association sprang up, until, in 1883, there were 4000 of various sorts established throughout the country, having a membership of 1,200,000 persons, with more than £10,000,000 capital. Mr. Wolff says that Herr Schneid, of Vienna, calculated that these banks must have been doing business at the rate of at least a £100,000,000 a year." The aphorism of the distinguished Italian statesman, Signor Luzzatti, that "the best guarantee of a co-operative bank is to be found in the character of its members" truly represents the verdict of experience. As the number of societies increased the economic step was taken to consolidate them into a federation, with a common central office and directory, to supervise and finance them like so many branches of a co-operative whole. Contemporaneously with the work done by Herr Schulze-Delitzsch for the financial relief of artisans and persons engaged in small industries in towns, Herr Raiffeisen was engaged amongst the rural population in similar work for rescuing the peasantry from the toils of the moneylenders. As Burgomaster "of Flammersfeld, likewise in the Westerwald, with a union of twenty-five parishes under him to administer . . . Raiffeisen had the crushing troubles of the poor peasant cultivators brought vividly before his eyes in the famine years of 1846 and 1847." The picture drawn of the situation by Mr. "Wolff is that of utter misery. The dwellings—wretched hovels at best—land, cattle, and the whole miserable future of the peasantry, were in the hands of heartless moneylenders; the whole district was "converted into a usurers' hell." If Raiffeisen could only organise the peasantry into self-help associations much good could be done. His first step, and by no means an easy one, was to raise a fund of £300, with part of which he established a co-operative bakery at Flammersfeld, which had the effect of bringing down the price of bread to just one-half.

"The next step," Mr. Wolff says, "was the formation of a co-operative cattle-purchase association . . . which move attacked the usurers in one of their strongest outworks, and reduced their mastery at a vital point." But the "citadel"—the cruel rate of interest charged for existing debts—had yet to be dealt with. To inaugurate a system whereby that evil could eventually be overcome, Raiffeisen, in 1849, "set up his first 'Loan Bank'" with the balance of the £300 remaining after the establishment of the co-operative bakery, "and offered the peasantry who would subscribe to his rules to supply them with money for their needs." Mr. "Wolff tells us, "did its work well," and by it "Raiffeisen carried his idea to practical triumph, furnishing a precedent for further extension." Notwithstanding this, "progress was at first slow. It took five years before Raiffeisen managed to form a second bank—that was in 1854, a third in 1862, and a fourth in 1868. From 1880 they commenced to multiply freely. By 1885 their numbers had, in Germany alone, grown to 245, by 1888 to 396, by 1889 to 610, and by 1891 to 885." In 1893, when Wolff's book on "People's Banks" was published, "there were 1000 Raiffeisen banks in Germany alone," and "after forty-three years' experience, they can make it their boast that by them neither member nor creditor has ever lost a penny." Wolff pathetically remarks that: "When in 1888 it was announced that Herr Raiffeisen had breathed his last, half Germany mourned over her benefactor, by the name by which he is still fondly remembered, that of 'Father Raiffeisen." Some of the benefits which followed in the wake of co-operative banking are described in a paper read by Mr. Wolff before the Annual Congress of British Co-operators which met at Peterborough in 1898, as follows:—"Thirty years ago Germany knew no co-operation applied to agriculture. Its co-operative banks grew to be strong, and now there is not a country which can compare with it in co-operation of the agricultural type, all of which has followed naturally in the wake of banking. Co-operative supply societies, insurance societies, dairies, creameries, cheeseries, winepresses, coal societies, sugar refineries, sale societies, &c., spring up as if by magic, multiplying by the hundred, borrowing their first money from the bank and repaying it by easy instalments out of profits."

Signori Luzzatti and Leone Wollomborg were instrumental in introducing these "first aids to agriculture"
into Italy, where they have thriven immensely. The campaign was started in 1863, and in 1898 there were said to be 700 People's Banks spread over the country, with over 400,000 members, mostly small farmers, small traders and working men. On the 25th May, 1866, what has since come to be known as the Giant People's Banks at Milan, was opened in a small hired room with £28 capital—an amount exactly equal to that with which the Rochdale Pioneers started their co-operative trade. "Now," says Mr. Wolff in 1893, "this same bank is one of the marvels of Italy. It is lodged in a palace, it employs, in addition to 130 or 140 unpaid officers, about 100 clerks. In 1889 its members' roll stood at 16,392. It has grown since."

The democratic character of the bank may be seen by the statement that in 1889 it had lent out £4,601,616 in 162,789 loans, 129,401 being for less than £40, 13,349 for less than £4, many as little as 8s. In "Le Credit Pratique," by M. Charles Rayneri, reviewed by E. M. Lynch in the "Gentleman's Magazine" for August, 1895, credit is given to Wollomborg for having established People's Banks upon the strict Raiffeisen system in Italy to relieve the Lombard cultivators who were ground down by usury. In 1883 he opened a loan bank at Lorregia in the face of hostile criticisms on the score of the unlimited liability element and others, but "before eleven years were over Wollomborg could point to fifty-two rural banks founded under his auspices."

The characteristics of the banks are said to be these:—

- Unlimited liability of members.
- Strict territorial limits, the bank members being drawn from a small area, within which neighbours are conversant with each other's affairs.
- The directors receive no fees or salaries.
- There is no capital (consequently there are no dividends).
- General expenses are cut down to the lowest possible point, and
- The reserve fund may on no account be shared out.

Caution is exercised in making advances; only members can borrow, and the money is to be used for the purpose for which it is lent, and none other. The family type is observed, and all know each other's circumstances. This system confers upon members the power to borrow cheaply and lend safely as no other can.

Mr. Bolton King, an English landowner who devotes his time and energies to establish co-operative settlements on his own estate, and interests himself in the co-operative movement generally, contributed a highly interesting article to the "Independent Review" describing what association and credit banks have done for Italy. The following notice of the article, which appeared in the "Age" newspaper of 4th April, 1904, under the cross heading "Co-operative Farming," is well worth the quoting:—"By co-operation the peasant farmers of Italy," it is said, "are rapidly transforming their condition, and throughout whole provinces the peasant has never been more prosperous than now.

"They buy what they want in quantities at wholesale prices, cultivate their land with improved implements according to scientific methods, and sell their produce in the best markets. Co-operative dairies are now numbered by hundreds, and in some places these have increased the incomes of the small cowkeeper by one-third, while returning the shareholders a dividend of 7 per cent. The same principle is being applied to wine-making, and is just beginning to show itself in silk culture. In bygone years the peasant farmer could do nothing for want of capital to improve his little lot of land. But now the village banks supply his financial needs at a low rate of interest. There are upwards of 1000 of these in Italy, with a membership of 120,000 persons. They advance loans in sums ranging from 2s. 6d. to £25. . . . Agricultural syndicates, of which there are 300 with an annual turnover of upwards of £1,000,000 sterling, enable the small farmer to buy as advantageously as the richest of his class, and Mr. King mentions that the syndicate at Parma, which does an annual business of £40,000, has only lost £4 in bad debts in nine years."

In France the principle of association applied to land and rural industries has received a development of its own, characteristic of what appears to be a genius possessed by the French people for that kind of organisation. In an article published in the Manchester "Co-operative News" for 30th June, 1900, under the capitation, "Organised Co-operation in Agriculture" Mr. Wolff says:—"The French agricultural syndicates are formed under a Trade Union Act, restoring to the French working men the right of free association for the furtherance of common class interests which the Government of Louis Philippe had taken from them in 1834. The word 'agricultural' was inserted with no direct design, but its insertion has proved exceedingly valuable." Agricultural syndicates are formed under this Act with the object of defending "agricultural class interests in any way that may commend itself to them." They combine "all classes interested in agriculture, from the great aristocratic landlord, with his tens of thousands of acres, down to the humblest cottier who ekes out a bare subsistence by wage-labour, and only cultivates his little plot at home in off hours." In a syndicate at Castlenuaudry there were said to be 600 agricultural labourers amongst the members. The first syndicate was formed at Blois in 1883, and in seventeen years' time, in 1900, the number of syndicates increased to about 2500, with 800,000 members. "They have been successful in 'democratizing,' as they love to call it, the use of artificial fertilisers,
feeding stuffs, modern implements, &c., by bringing down prices 20, 30, and even 50 per cent., and, at the same time, in moralising the market by effectually checking, if not altogether extinguishing, adulteration, short weight and similar abuses. . . . In the backward state of the French agricultural population all this cheapening and purifying would have been useless had not technical education, the setting up of classes, laboratories, &c., gone hand in hand with co-operative supply."

It is a fine sentiment to say of land, "tickle it with a hoe and it will laugh with a harvest/" but to put mere labour on the land unskilled in the conditions necessary to its profitable culture can only end in failure, and amongst the qualifications necessary to success the capacity for co-operative effort on the part of settlers is not the least. There are orchardists and small settlers now who are able to get fairly good return from their land and plantations, but who fail to make their industries profitable simply for want of co-operative action in preparing their products for market and for purchasing supplies. This is a matter for settlers already established to attend to on their own account, without going, as the saying is, cap-in-hand to a Government for assistance.

If the wealthier French landowners made the conditions of entrance into agrarian associations anything at all high—as they might have done without causing surprise or comment—the small cultivators might have been excluded, but they could be formed into co-operative unions of their own, and work their way to success as members of the class have done elsewhere. The struggle might have been greater and longer, but co-operation overcomes all that; yet the whole movement could not have been as effective as on the larger scale, which developed into proportions of a national character. The population engaged in small rural industries in France are too numerous, and their total produce of too great a value, to be ignored in any agrarian co-operative movement. Persons engaged in any particular industry, such as grain-growing, wine-making, dairying, or any other special rural occupation, form syndicates of a primary or unitary character to protect the special interests of a class, and these units again combine to form syndicates for dealing with interests which are common to all of them. In this way a network of highly efficient co-operative agencies are formed, federating in cantonal and provincial centres, and, as Mr. Wolff says:—"Uniting all—and above all—there is the National Union. Only by such organisation could the French farmers have succeeded in extorting from the railway companies substantial reduction of rates for the forwarding of produce. Only by such union could they have organised a large trade to Paris and to other countries in their produce—wines and apples, strawberries, onions, early vegetables, &c." They combine to prepare their common produce for market—"manufacturing their fruit into pulp, pressing their olives for oil, &c. They insure in common against a variety of risks, including workmen's accidents. They have reduced the sale of beasts to so simple a method that a provincial farmer need only put his animal into a truck, knowing that it will be carried safely to Paris, put upon the market, and sold to best advantage." Stud animals are purchased for common use, "and herds have accordingly improved beyond recognition. The apple orchards of Normandy have benefited, being planted with superior varieties of fruit. Dairies, of course, have obtained better value for milk drawn from improved cows," and winegrowers have been able "to replant those wide expanses of land devastated by the phylloxera."

For fuller information upon this absorbingly interesting subject Mr. Wolff refers the readers of the "Co-operative News" to what he characterises as "an excellent little book" on "Agricultural Syndicates and Their Work" by the Count Rocquigny.

Other countries, like Belgium, Denmark and Holland, furnish convincing evidences of the enormous improvement which has been made in the condition of rural populations and in the increase of national prosperity wherever agricul-tural co-operation and People's Co-operative Banks have been securely established. Distributive and wholesale co-operation, after the Rochdale plan, has of late years made great and systematic strides on the European Continent, and the whole movement is steadily extending from centre to centre and from country to country, and a cosmopolitan character is given to it by the holding of regular annual co-operative congresses, consisting of delegates from the various national co-operative centres. The International Co-operative Congress of 1903 was held in September at Buda Pesth, the capital of Hungary, under the presidency of Count Karolyi, called the "Raiffeisen of Hungary" because of the leading part he took in establishing credit banks for farmers in that country. On the opening day of the congress Count Tisza, Hungary's then Prime Minister; Count Darayi, the ex-Minister for Agriculture; Dr. Erstl, a representative of the Austrian Ministry of Trade and Commerce, were present.

In his opening address Count Karolyi said:—"Every co-operative centre ought to bear in mind the aim of all co-operation, and that was greater social force through co-operation, greater economic knowledge through practical instruction, and, moreover, a higher moral development through the need of being equitable. It was not State socialism that was wanted, but liberty."

The italics are mine, as I desire to point out how the practical adoption of co-operative principles on the Continent of Europe, for the solution of social problems, had vastly altered from the ideas of State socialism which characterised the revolutionary doctrines which animated the "Internationalist" movement of the early seventies of which Karl Marx was the inspiring genius. The discussions at the Buda Pesth congress throw a
good deal of light upon this aspect of the question. On the second day Count Rocquigny—the author of the little book so highly commended by Mr. Wolff—read a paper on "The Duty of the State Towards Co-operation: Should it Subsidise it or Not." He said "that the Delft congress had laid it down that the State should not sanction measures which might interfere with the free growth of the movement ... and the time had now arrived when it was advisable to determine with somewhat greater precision how the State ought to act with regard to the movement. He admitted that co-operation must, if it were to be co-operation at all, remain essentially a product of free private enterprise, that spontaneity and independent action must constitute its title of honour, which must never be sacrificed, as it would be if the State were to become too much a master of it. There were countries in which self-help, having been cultivated for a long time back and perfected and fortified, was sufficient in itself, but in the majority of countries the spirit of private enterprise had scarcely yet taken sufficient root to leave co-operation to its own resources. Therefore, for some time, in his opinion, those countries must need the sheltering protection of the State."

A delegate from Wiesbaden said that "forty-four years' experience in Germany proved conclusively that the intervention of the State was absolutely unnecessary." A Russian delegate was of opinion that the State could aid financially without loss of co-operative independence. A Hungarian delegate favoured State aid, another opposed it. The British delegates were against State aid, but Mr. W. Maxwell, chairman of the Scottish Co-operative Wholesale Society, Glasgow, gave cautious expression to the sentiment that there might be circumstances surrounding some of the Eastern countries which Western co-operators did not understand, and which might call for help even from the State, and that it might be left for those countries to receive or reject such measures of State aid as might be held out to them. At the same time he confessed to having no faith in State aid. The glory of the co-operative movement lay in the fact that it had been built up by the working classes without going cap-in-hand to anybody, and all that co-operators should ask of the State was that it should treat them as peace-loving citizens."

A resolution was submitted to the congress declaring "that co-operation warranted a moderate intervention of the State for the purpose of encouraging its application in countries in which private enterprise was not strong enough to serve such purpose of itself, but that this intervention should not injure any other interests entitled to consideration, nor degenerate into permanent assistance, since that would prevent co-operative institutions from acquiring vitality of their own."

The anti-State sentiment was sufficiently pronounced to make it evident that the proposition, although so cautiously worded, could not be carried as a resolution of congress, and rather than introduce an element of discord into the deliberations of "The International Co-operative Alliance" by a formal vote on a question which, under many conceivable circumstances, might require to be decided upon grounds of expediency, it was decided to leave it an open one.

"This had the twofold advantage of giving a free hand to the various countries, and removing any need for a sacrifice of principle on the part of those who regard self-help as the fundamental basis of all co-operative effort."

This was a wise decision, calculated to preserve "The International Co-operative Alliance" from liability to come under an influence that might develop sectarianism in its ranks, and left the movement, in relation to State aid, exactly in the position reasoned out by Mill in the passage quoted from his work in my preliminary remarks, namely:—" Government aid, when given merely in default of private enterprise, should be so given as to be as far as possible a course of education for the people in the art of accomplishing great objects by individual energy and voluntary co-operation." With close settlements already in existence, self-help associations have proved amply sufficient to provide members with every necessary requirement, financial and otherwise, for developing their resources and marketing their produce on terms as economical as could be commanded by means of Government aid, and even more so, for the exercise of self-reliance their trustworthiness is far more likely to become securely established in public confidence in proportion as, by the judicious use of co-operative methods, they succeed entirely on their own merits, than by leaning upon the State, whose own credit is liable to suffer depreciation, injurious to the interests of all concerned, when employed to meddle with social experiments which clearly fall within the province of citizens to work out for themselves.

CHAPTER VI.

The Credit Foncier.
The "democratisation" of credit would be incomplete without a system under which advances could be made on mortgage to owners of small properties—and on people's homes on terms equitably even with those commanded by the wealthier class of proprietors. The Credit Foncier, the principles of which, and its evolution on the European Continent, were lucidly explained by M. Pinschof and Loprieno in their evidences before the Royal Commission of Banking in 1895—is admirably designed to meet this want, and the present time affords an exceptional opportunity for the adoption of the system in this State, so as to relieve the settlers who have severely suffered by the recent bush fires, in a manner not to injure the feelings of the most susceptible amongst them, or betray the wholesome principle of self-help. The money which has been subscribed by sympathisers could easily be converted into share capital in a Credit Foncier, of which the contributors, of course, would be the shareholding members, and loans granted to applicants on their merits, and on terms calculated to afford borrowers ample time to repay principal and interest out of the proceeds of their industries, without the acceptance of charity on the one hand, or the making of a money sacrifice on the other.

A Credit Foncier may consist of an association of property-owners for the purpose of securing loans on mortgage for its members, and of obtaining the necessary funds for that purpose from outside sources on their collective security; or it may be formed of members with share capital to act as an intermediary society between borrowers on mortgage and the investing public. The latter is the form in which the system has come to find favour, and in which it could be so easily and economically adopted by the sympathisers with agrarian distress amongst us at this time, and not for a mere temporary purpose, but as a permanent institution.

M. Pinschof, in his evidence before the Royal Commission, said:—"The first institutions were founded by the borrowers of money. This is the first development of the Credit Foncier—the German Landschafts Banken. After the seven years' war between Prussia and Austria, especially in Silesia, the distress was very great; money was very scarce, and the rate of interest very high. At that time Buring submitted to Frederick II. of Prussia his scheme for the formation of mutual associations of borrowers, who would be jointly responsible for the debts of each individual of the institution, and who would thus be a certain guarantee to the lenders of the money that they would only admit good people to get advances." It was some years before Frederick the Great gave his support to the scheme, but finally did so by investing a considerable amount in the Credit Foncier bonds. At a later time, as M. Pinschof informed the Royal Commission, "Napoleon III. took up 10 million francs (equal to £400,000) of mortgage bonds to give the Credit Foncier de France a start."

Here we have two notable and instructive instances of how Governments may aid a self-help people's movement by statesmanlike acts, and without a taint of State socialism. The funds supplied in each case were so economically utilised as to make the investment amply remunerative, and an enormous benefit to a class of borrowers whose emancipation from the extortions of usurers was a vast gain to the State itself. Credit Foncier institutions became self-going concerns, and their bonds favourite stock in which to invest people's savings so as to administer to the needs of the great body of small producers, and the purchasers of their own homes, without the intervention of middlemen bankers and money-lenders of any other kind. The system was established by law in France in 1852, under regulations which rendered their operations subject to State surveillance, which found general acceptance on Continental Europe, where the popular welfare may be better measured by the magnitude of the widely-diffused and equitable operations carried on under this system, and their immunity from losses, than by the ordinary statistics of national exports and imports. Valuations of securities are based upon the net incomes from the properties, averaging over a series of years, and advances are limited to 50 per cent, of values thus arrived at, if made on properties devoted to rural industries, so as to have a margin against losses incurred through unfavourable seasons, ravages by pests, and other risks to which persons engaged in such industries are liable. On the other hand, societies formed for lending upon people's homes, apart from land under cultivation, advance close up to the full value of the securities. Experience upon an extensive scale has proved that this can be done with perfect safety, and many millions of money are employed in the operations. The character of the borrower is taken carefully into account, and terms are given to suit his ability to meet repayments. Loans—principal and interest—are repaid by terminable annuities extending over periods of time varying from a few years to over fifty. The longer the period the greater the facility with which a borrower, with a small annual income, can meet his engagements. This is what really makes the system "democratic." Without it, notwithstanding that the interest charged for advances might be exceptionally favourable, borrowing would still be a monopoly for the comparatively well-to-do, but, with a low rate of interest and repayments extending over a long term of years, an occupant may become the owner of his own home at an annual rate of redemption which a landlord might hesitate, probably decline, to accept for rent alone. This may appear a daring kind of business, but we have good authority for accepting the statement that experience has pronounced entirely in its favour, and thousands upon thousands of families have been helped in this way who, under conditions which prevail with us, could have no chance whatsoever. Besides, the public conscience which the working of the system creates would expose a defaulting borrower to the contumely of his class, and to people trained under the system it becomes a matter of common understanding
and feeling that, from the start, the long term of a loan enables a borrower to be the owner of his own home without having to make a monetary sacrifice for the privilege as against rent paying—an ownership which descends in a family, with its diminishing liability, free from landlord's interferences, like any other real estate. This gives it stability and vogue.

The borrowing power of a Credit Foncier is limited to a certain multiple of its capital, a principle with which we are familiar, and no moneys are accepted on deposit in the way usual with ordinary money-lending institutions. Loan funds are provided for—(1) by share capital, and (2) by sale of bonds. After the investment of share capital, bonds are issued from time to time as funds are required for actual business, and not before. In this way the indebtedness of borrowers to a society, on the one hand, is exactly equal to the indebtedness of the society to its own shareholders and the public on the other, and provision is made for maintaining this equilibrium throughout by using a power conserved to the institution of calling in bonds at any time by ballot, to be paid off and cancelled. Loan repayments, instead of being placed to a sinking fund, are disposed of in this way, and the equilibrium, which is disturbed as repayments come in, is again restored when the accumulations are employed to cancel their equivalent in bonds. Thus, no interest is wasted by Credit Foncier institutions on idle money, and no unwholesome pressure is put upon managers to stimulate the loan market to find employment for unused funds.

M. F. Loprieno, in a very informing little pamphlet published in 1894, entitled "Notes on the Credit Foncier," points out that the liability of bonds to be called in and cancelled at any time is a check upon extreme variations in their market values. A purchaser would not give much premium for a bond that is liable to be called in and paid off at short notice, nor would a seller be likely to accept much less than par for the same reason. To make bonds more readily marketable it would seem advisable that they should be issued at such a rate of interest as would enable an investor to purchase them at a slight discount, if any, so as to be in a position to avoid loss if suddenly called upon to surrender his purchase at par. A corollary from this is that Credit Foncier advances are always made in bonds, to be sold at the risk of borrowers, and not in cash, the institution acting as broker to effect sales, for which a small commission is charged.

There are other features belonging to the system which enables the stock to find a ready market at par values, even at times when other forms of investment are suffering from depression. The design being to accommodate the small land and house owners with cheap money, it naturally follows that the stock itself should be so "democraticised" as to come within the ability of the smallest investor to deal in it, and the transfer of bonds from hand to hand made as free from formalities as possible. Some institutions accomplish this by making their bonds transferable by indorsement, but the most acceptable, because the most convenient, form is to issue bonds with interest coupons attached, made payable to "Bearer," and of such low denominations so as to be as easily transferable from hand to hand as a £5 note. In this way they form an acceptable addition to the currency, whilst offering inducements to the working classes and small traders to exercise thrift beyond any advantages offered by Savings Bank institutions as conducted, and it is the duty of a Government to encourage in every conceivable way, and even to stimulate thrift, by opening up avenues for the profitable investment of public savings. In France, when Government loans are placed upon the market, the people can invest their small savings in the stock as free citizens without having the opportunity closed against them in the interests of high financiers and big brokers—a principle which the Bent Government have wisely adopted in the local flotation of the late Government loan—whilst in Great Britain, under Mr. Goschen's conversion scheme of some years ago, the people's Savings Bank deposits have been used as "enforced loans" to raise the price of consols and lower interest—a sure way to discourage thrift. In an article on "The Housing Question and the Savings Banks," contributed to the "Co-operative News" of 25th May, 1901, and in articles contributed about the same time to the "Westminster" and "Contemporary" Reviews, Mr. Wolff calls attention to this important question, and contends, as he says, "with the sanction of a good many influential people, including the powerful financial journal "The Statist/ that Savings Banks funds should be administered for the good of the Savings Banks, and not of the Treasury, and that the area of investment should be enlarged." He says:—"In France, in Belgium, in Germany, co-operative societies have been formed to set up dwellings for their working-men members, with the use (they could not have done it otherwise) of the public money advisedly placed at their disposal. Co-operative societies formed for this purpose have proved so safe that public bodies have found it practicable to lend them up to 97 per cent, of the money required by them, and the pioneer of this movement—Dr. Liebricht, of Hanover—has publicly declared, in one of his official reports, that the full 100 per cent, might be advanced without hesitation or misgiving. The Belgian National Savings Bank lends to them gladly—offering purchasers life insurances at a low rate at the same time, which protects it more effectually, and secures the purchaser's family against loss of their home in the case of his death. In Germany the Old-age Pension Fund began the practice. It has now become general among such funds. Public Savings Banks have taken it up, and quite recently the Prussian Government has by official circular enjoined provincial authorities to stimulate to the utmost its extension by the agency of the public Savings Banks, on the ground of the admirable results.
obtained. A spokesman of the Government recently went so far as to publicly declare that the Government hope to solve the whole housing difficulty with the aid of Savings Bank money."

It is with capital as with water. It is necessary that streams formed of people's savings should be collected in financial reservoirs and placed under State supervision and regulations, but equally necessary that channels should be formed for its distribution, so that the class who make the savings should themselves reap the full benefit to be derived from their employment, instead of forming a capitalistic store for only Governments and big operators and speculators to draw upon. On the Continent of Europe this has been accomplished to such an extent that Credit Foncier institutions and people's credit banks have come to be as much regarded as agencies for providing safe and profitable employment for people's savings as they are for performing the special functions for which they were designed.

These sentiments are well expressed in a resolution carried at the British Co-operative Congress which met at Middlesborough in 1901, respecting

**INVESTMENT OF SAVINGS BANK FUNDS—**

"That this congress earnestly invites His Majesty's Government to consider, at the earliest possible moment, whether it is not practicable to employ—as is done elsewhere, and most notably in France, Germany, and Belgium, admittedly with absolute safety and admirable results—part of the large sums collected from the poorer classes by means of the savings banks, by way of loans granted to suitable intermediaries furnishing adequate security, in the construction of working men's dwellings, in order that by such means one of the acknowledged great needs of the hour may be met; the money withdrawn from fructifying use may be turned back into directly useful employment; working men's money may be made to satisfy working men's wants, and by means of a higher rate of interest for deposits maintained than will, after 1903, be possible under the retention of the rule of investment only in consols, effective encouragement may be given . . to the practice of thrift."

The italics are mine, in order to show that the importance to be attached to the Continental system of employing intermediary societies as agencies through which people's savings could be utilised for the people's benefit, did not escape the notice of British co-operators. The capital of the intermediaries offers better security to the Savings Banks and other investors in their bonds, and a better guarantee of more careful and more economical management, which the Government could much more safely recognise than by accepting the risks of making advances through comparatively irresponsible boards of State-appointed and State-paid commissioners, or State officialism of any kind beyond what may be necessary for the inspection of advances and securities in the interests of public safety. It is a sensible and scientific credit system, in which the Government can, and ought, to assist, perfectly free from a suspicion of State socialism, and, instead of weakening it, promotes the cultivation of a sound individualism.

**CHAPTER VII.**

The Social Problem.

It now remains briefly to summarise some of the results which mark the progress of the social movement from competition to co-operation, of which the foregoing is a sketch, and discover what lessons they are calculated to teach, and what light they are able to throw upon the confusing quantity of misspent energy wasted upon fruitless political and social controversies amongst us, to the neglect of that honest, intelligent, reconstructive social work of which so many examples abound in other countries, which we, in our lack of appreciation and true conceptions of the nature of things, may look upon as behind us in democratic progress—a very grave error indeed.

Under the heading of "A Bird's-eye View of Co-operation," the Co-operative Union has tabulated statistics which show that from 1861 to 1902—in little more than forty years—the total turnover of co-operative trading in the United Kingdom—distributive, wholesale, productive—had reached the stupendous sum of £1,288,874,494, yielding a total net savings of £123,618,316, which had been returned to members on their purchases, and which, but for co-operation, would have gone as profits into the pockets of private capitalists and middlemen, for whom an organised co-operative society has no need whatever. The rapidity with which the movement is growing may be estimated from the fact that more than one-half of this enormous result has been realised within the last ten years of the series.
Just as this little work was being prepared for the press, statistics under this head had come to hand as follows:

"From 1861 to end of 1905 the trade of the co-operative societies amounted to £1,564,743,610, and the profits derived from that trade reached the enormous total of £153,118,706."—(Inaugural address by Mr. J. C. Gray, general secretary of the Co-operative Union, opening the 38th Annual Co-operative Congress, which met this year (1906) at Birmingham.)

Comparing the data given in the text with these later returns, it will be seen that in three years' time, to end of 1905, the total co-operative trade turnover was £275,869,116, and the profits—that is, the net profits for distribution upon members' purchases—were £29,500,390.

In an able and well-informed article contributed to the "Arena" magazine for July, 1903, Professor Frank Parsons, of Boston, U.S.A., says:—" Population (in Great Britain) is doubling in about eighty years, whilst co-operative business is doubling in less than a dozen years. In the last forty years—1861 to 1901—population has increased 43 per cent., and co-operative business 5300 per cent., so that co-operation in England has grown more than forty times as fast as her international commerce. When we remember that her international trade and her manufactures are England's special pride, the most important of her competitive business, we may realise in some degree how marvellous has been the progress of British co-operation."

The above prepares us to entertain the highest optimistic views of the capacity of co-operation to solve the social problem. Mr. E. O. Greening is a veteran of the movement, having been closely identified with it since 1856. He took an active part in the establishment of the Manchester Co-operative Wholesale Society, has been a frequent contributor to co-operative literature, and editor of the "Agricultural Economist" since its commencement over 30 years ago. He was the life-long friend of that earnest, pure-minded social reformer, the late George Jacob Holyoake, whose last message to his fellow-workers in the cause of human progress was:—"I care more for co-operation than for any other movement." The utterances of Mr. Greening are, therefore, entitled to attention and respect, and, on the subject of co-operation, are addressed to persons fully capable of checking inaccuracies or mistakes, and who have no hesitation in giving candid expression to their criticisms.

In an address which he delivered at a session of the annual co-operative congress which met at Perth, Scotland, in 1897, Mr. Greening stated that, whilst the wealth of capitalists doubled in thirty years, it took 150 years to double the wealth of the working classes. "Consequently," he said, "without co-operation the door of hope was almost closed against them. But with co-operation the situation was marvellously changed, and the 'door of hope' was opened to the fullest possible extent." Referring to an estimate made of the total annual income of the wage-earning classes and the rapidity with which co-operative wealth increases, Mr. Greening said:—"If all the working people in the United Kingdom co-operated, we should be able to pay off the national debt in five years, buy up the whole of the railways . . . and the entire country in twenty years. Co-operators would then be their own landlords and their own employers."

And this was not a sensational novelty sprung upon Mr. Greening's hearers in 1897, but a restatement of an estimate made of possibilities with which co-operators were made familiar for more than twenty years previously, which the test of time and experience had strengthened and confirmed.

But the growth of the movement does not await the orderly development of the Rochdale system from distributive co-operation to every form of production and exchange by which supplies reach the consumers. The principle is active in detached forms, developing from a variety of centres, but all actuated by identical motives of economy which, sooner or later, must bring them into uniformity, like patterns in a mosaic, so as to form the co-operative commonwealth conceived by co-operators on the Rochdale principle to be the natural development of a consumer's co-operative movement. Mr. H.W.Wolff has shown that, on the Continent of Europe, a system of democratic banking has been developed, which has enabled small producers, especially peasant proprietors and persons engaged in small agrarian industries, to improve their lands, stocks, and crops; to co-operate in preparing their common produce for markets; in getting advances and in purchasing requirements on cash terms, without permitting themselves and their industries to be starved by the exactions of middlemen and private dealers, book debts, high charges, and usurious interest. The increase in popular welfare promoted by the adoption of people's banks has been enormous, and, in conjunction with the Rochdale system of co-operative trading, is making the movement an absolutely complete instrument of social reconstruction on the purest economic lines. The latest statement I have seen on the progress made by people's banks and the benefits they confer is by Mr. Wolff in the "Co-operative News" of 8th March, 1905, as follows:—"In Italy, the original home of banking, no doubt banking was developed enough. So it was in Belgium. However, in both countries it was rich men's banking that was established. The poor man looked for it in vain. Credit wanted to be democraticised, as M.d. Audrimont has put it. Accordingly, a system of co-operative banking was organised, which has yielded truly astonishing results. It helps the poorest, provided that he can establish a character and show a legitimate use, and places every year, I suppose, something like £200,000,000 in credits at the disposal of productive and co-operative trade. About 1000 Schulze-Delitzsch banks alone put about £100,000,000
annually into circulation in Germany. Think of that! What a boon to the poor! What a stimulus to production!

Honesty—straightforward, transparent honesty—forms an essential part of co-operative capital—and, indeed, a prime necessity, for the co-operation that is a people's mutual self-help movement, and not a combination of capitalists or traders formed for the exploitation of the rest of the community, can only thrive by the exercise of fair and equitable methods. Every departure from principles of strict integrity must be a violation of some economic law necessary to its existence and progress. Every self-help association established for the purpose of effecting economies in production or distribution by which the superfluous middleman, speculator, and private dealer can be dispensed with, however objectless may be the initial aims of each society beyond the immediate interests of its own members, must, by the tendency to expand which belongs to the principle, help to promote a synthetic movement which, as an ultimate result, will bring producers and consumers into direct economic relationship in a co-operative community. When consumers co-operate to practise economies to gain direct access to producers for supplies, and producers co-operate to practise economies to dispose of the result of their industries direct to consumers, and make a study of their wants, the social problem must be well-nigh solved. This is the individualism of mutual help, the kind of thing of which Daniel Webster said, "Liberty and union, now and ever, are one and inseparable," and which Huxley contrasts with the individualism of "the gladiatorial theory of existence" as follows:—"... the practice of that which is ethically the best—what we call goodness or virtue—involves a course of conduct which, in all respects, is opposed to that which leads to success in the cosmic struggle for existence. In place of ruthless self-assertion, it demands self-restraint; in place of thrusting aside, or treading down all competitors, it required that the individual shall not merely respect, but shall help his fellows; its influence is directed, not so much to the survival of the fittest as to the fitting of as many as possible to survive." They are the principles of a resistless evolution which are plainly at work, developed from roots as simple as those which move an animal to seek the sun in the cold of winter, and the shade in the heat of summer. Necessarian forces impel the movements; the ability to move constitutes the liberty—the philosophy of Necessity and Free-will in a nutshell—and, as the gifted and philosophic Emerson truly says, "If only the men are well employed in conspiring with the designs of the Spirit who led us hither, and is leading us still, we shall quickly enough advance out of all hearing of others' censures, out of all regrets of our own, into a new and more excellent state than history records."

The struggle of right against wrong is a painfully protracted one. The final triumph, however, cannot be doubted. The cosmic struggle for existence is "to eat or be eaten;" the eaters—the monopolisers of a people's land, capital, and industries—for the time "survive," and the eaten are the ephemera of the race—also for the time—which class-made laws permit to exist long enough to subserv the purposes of the eaters—which Adam Smith elaborates into a law of orthodox political economy—and then perish to make room for another generation of their kind to be eaten and perish in their turn. But even in this struggle are implanted the elements of organic life by which the laws of life and living come to find gradual recognition, for, as Paul Leroy Beaulieu says, "Everywhere unwritten and unformulated right has preceded written right." The cosmic struggle forms social classes which, sooner or later—the sooner the better—produce class antagonisms, and it is only by class, and not by single-handed individualistic efforts, that class evils, and finally social evils, can be remedied. "Individualism" fails in the very realm of the "individualists" themselves, and the class struggle for human rights, by labour unions and other associations, is the initial stirring of that "organic life" which Max Nordau says "is synonymous with development, ... the impulse to attain a standard which the organism has not yet reached."

But so long as labour contentions are confined to the modification of conditions which obtain under a system of trade competition, the advantages gained can never be satisfactory nor stable in character. Factory and labour laws have done much to mitigate the evils of unlimited competition, and humanise its practices, but when legislation is depended upon to establish a "minimum wage"—except as a temporary bridge over which to pass on to something better—the law of supply and demand, operative in a competitive system of employment and trade, will assuredly assert itself, however slowly, and decide ultimate issues in spite of all legislative efforts to override it. Neither unionism, nor strikes, nor Courts of Arbitration can compel an employer of labour to pay as much wages as a worker may stand in need of in order to enable him to live and rear a family in tolerable decency and comfort, should the industry prove unable to afford it. The "minimum wage" may be defined as the adjustment of compensation to labour "to that refined excess" that, though the industry "would break with more," the workers "could not live with less"—a delicately-balanced situation impossible to maintain under a system of competitive trading, even were it possible for one instant to arrive at it. Hence it is that the conflict between organised labour and employers, quite as much as the keen competition between employers themselves, has been instrumental in stimulating the formation of combines and trusts, and the concentration of industrial capital into comparatively few hands. These monopolists accomplish, in a more emphatic and pronounced manner, what ordinary competition does in a less perceptible, but no less certain, way. They select the more energetic and skilful from amongst the workers, and compensate them with a
liberality that has little stint in it so long as they are able to give the return expected of them, which is calculated to the last ounce, and taken out of them with mechanical accuracy. This selection—which is characteristic of employment in general, if not always to the same cruel extent—and the employment of labour-saving machinery, lessen the demand for labour in proportion to a supply that is constantly increasing by the extinction of the smaller industries, the drifting of women into the ranks of wage-earners in factories and offices, and the increase of population.

The hopelessness of the situation is felt, and, naturally enough, stands responsible for the demand for a State socialism which, in the optimistic conception formed of it, is to find congenial employment for all, and ample means to satisfy personal and social wants, under a system of State ownership of the land and of the industries, substituting an all-embracing collectivism for individual enterprise and private capitalism.

As already stated, the ruling classes, at the early stages of State formation, made laws that gave themselves a monopoly of the means of subsistence, which to this day are responsible for much social injustice and human suffering. In the face of this the demand for State socialism is nothing at all to be marvelled at, or reprehended, and whatever defects may belong to it, conservative anti-socialists and their animadversions can never stop it or amend it. The movement really marks progress in the efforts of the masses, who supply the labour of the community, to emancipate themselves from class-made disabilities, and it is by advancing, and not by retreating, that the discovery has to be made how that great object can be accomplished. It is easy to foresee the decay of initiative to which habitual dependence upon State control would reduce the individual; the great and interminable discontentments and jealousies which must be associated with the allocation of offices and assignment of duties, and the distribution of awards under State-appointed authorities, and the clamours and contentions of rival political agitators and office-seekers, to which these discontentments must afford never-ending opportunities.

Co-operators in the United Kingdom are so sensible of these inherent defects that they decline to be classed as socialists, notwithstanding that their movement has had its origin in the social science doctrines of Robert Owen, promulgated by his disciples, and accepted by every co-operator. Even on the Continent of Europe the improvements which have been effected in the social condition of peoples by the adoption of co-operative methods of self-help in production, trade, and finance, have been so great and obvious that agitation for State socialism is losing ground in its own home, and voluntary co-operation is taking its place as the foundation of a new social order. I have given a greater number of instances of the rise and progress of co-operative societies in the United Kingdom than would be necessary for the mere purpose of illustrating the working of a principle, in order to impress upon the minds of wage-earners, if I can reach them, the all-important fact that co-operative success is not a chance work, but the assured result of plain common-sense, and entirely practicable methods.

By voluntary co-operation the working classes in the United Kingdom have saved up many million pounds' worth of wealth for themselves, and in the process have acquired, and continue to acquire, industrial, commercial, and financial experiences, and mental and moral attributes, and capacities for practically grappling with every social problem, simple and complex, as they may present themselves, and for clearly distinguishing between the cooperative duties which concern citizens as private individuals, and those which pertain to municipalities and States in those matters in which the people as a whole are more collectively interested. Mr. F. Maddison, a trade unionist, and Labour member of the late British Parliament, who was returned again at the recent elections, speaking at the opening of new co-operative branch stores, well said:—"Those things that could not be grappled by voluntary co-operation are the only things which the State should touch."

Co-operation is a movement which begins with the people, is conducted by the people, and by the introduction of its principles and methods into municipal and State life, it is eminently calculated to afford a guarantee of economy, efficiency, and purity in the administration of affairs, impossible to realise under the régime of competition or monopoly, or under a system of government that would make the people dependent upon the State for employment and means of living.

**CHAPTER VIII.**

**Prospects of Co-Operation as a Social Movement in Australia.**

Private capitalists adopt the principle of co-operation and apply it to schemes of anything but a social character. They are, indeed, found to be so injurious to public welfare that they have become, *in esse vel posse,*
objects of hostile legislation in every nation, and are now engaging the attention of the Australian Commonwealth Parliament. How far such legislation should be prohibitive, how far regulative, are questions of grave importance, and have a direct bearing upon the subject herein discussed. As previously pointed out, the heartless cruelties practised under the régime of unlimited competition by the owners of early industrial machinery, to which may be added the excessive exactions of rack-renting landlords, and the great national loss and vast amount of human suffering caused by the cruel evictions carried out under their unrestricted authority, discredited the doctrine of laissez-faire to an extent that made State interference a matter of unavoidable necessity. Now the competitive system itself seems to be threatened with a general breakdown before the rising tyrannies of the combines and trusts, creating a new situation inviting measures of State interference which, in the absence of a countervailing social movement, may lead to direct State socialism.

The Manchester "Co-operative News" for 31st March, 1906, in a leading article on "Illegal Trade Combines in Canada," says:—"Under certain sections of the criminal code of Canada it is made an indictable offence for persons or corporations to combine to restrict trade and enhance prices against the general public. Sec. 18 of An Amendment to the Customs Act passed in 1897 reads:—"Whenever the Governor-in-Council has reason to believe that with regard to any article of commerce there exists any trust, combination, association, or agreement of any kind among manufacturers of such articles, or in any way to unduly promote the advantage of the manufacturer or dealer at the expense of the consumers, the Governor-in-Council may, through the judges of any Superior Court of Canada, inquire in a summary way into the bona fides of such combine."

Under this Act a number of prosecutions had taken place, and were active at the time when the issue of the paper from which the above extract has been taken was published, and heavy penalties were being inflicted. In delivering judgment against members of a combine of this character, "His Lordship Councillor Boyd" made the following remarks:—"There is no doubt that lawful combination may easily become unlawful conspiracy. A company of respectable people get together to control a trade. Their object of furthering their own ends obscures or blinds their moral sense as to the fair claim of others. Accordingly, they plan with dulled or forgotten perception of individual personal responsibility; fair dealing must not come in to lessen the prospect of goodly gain, and so is formed a monopoly which to them is justified by its profitable fruits, but to others becomes baneful, working harm and loss, stealthily depriving them of money without returning just value—in brief, cheating them."

It is not the legality of the combines as trading concerns that seems to be here called in question, but the legality of the practices in which they may be employed, as a citizen may be liable to prosecution without an attack being made upon citizen rights. A combine in itself, economically considered, may be a distinct advance upon the wasteful and ill-organised competitive system from which it springs, but, like any other system, it must confine its operations to legitimate objects and ways. The Standard Oil Trust, Cotton Thread, and other combines, are able to serve the public in their various lines more economically than can be possible by the over-manned, over-capitalised competitive trades by which the public consumers are burdened, supporting, perhaps, ten or more different establishments where one, under proper organisation, would be sufficient, and able to give better satisfaction to producer, trader, and customer alike. In this respect many writers fairly enough commend the evolution of the combine as a highly-developed form of social economy. Yet an organised system of trading by associations of private capitalists, however economical compared with the competitive system which it bids to supersede, cannot be a "social movement"—it cannot solve the "social problem." It possesses radical defects similar to those which constitute the principal objections to State socialism, and others to which State ownership and control of the industries would not necessarily be liable. It is calculated to destroy "individualism" in the average citizen to a greater extent even than could be fairly anticipated of State socialism, by reducing the working population to slavish dependence upon corporations of private capitalists, without that sense of responsibility which must always rest upon the State, however indifferently exercised, to give first consideration to public welfare.

There is another distinction that goes to favour the popular plea for State socialism as against trading by combines. A system of manufactures and commerce by combines, however shrewdly organised and prudently managed on strictly legitimate lines, would yield no further benefits to wage-earners and consumers than would be barely sufficient to prevent opportunity being given for State interference, and to keep outside capitalists, if any, from "figuring against them," as I once heard a representative of the most powerful trust in the world express himself. After making this necessary concession to social interests in the interests of the organisation's own safety—a policy which is not always followed when a temptation to make plunder out of a "corner" presents itself—a balance of power still remains to combines, and fully exercised, to exact from the general public excessive profits—in known instances equal to from 75 per cent. to 100 per cent. per annum in bonuses and dividends upon share capital—which it would be the business of the State, were it the owner of the industries, to win for the public and devote to their cause in public expenditure. It is a situation in which it would be hard, if not impossible, for advocates of private enterprise and anti-socialists to hold their own against
the logically stronger claims of State socialists, were the controversy left to be settled between them only.

A democracy, awakened to some sense of what is due to itself, i.e., to social and public rights, could never accept as the terminus ad quem of all social progress the best results of trade and commerce carried on by combines, or by any system of which private capitalism seems capable, and the anti-socialists, by not recognising and admitting this, and by taking up an attitude defensive of a system which, at its very best, is an exploitation of the mass that supplies the world's labour, and of the public consumer, to an extent that is daily becoming less and less tolerable, are pushing the controversy to an acute stage that may make more or less experiments in State socialism inevitable.

The same politicians and classes who, correctly enough, point out many serious reasons for objecting to State socialism, and make use of them as alarmist cries by which to unite the rest of the community against it, are the logical upholders of interests which, at the same time, constitute them the natural opponents of co-operation as a social movement, yet, by force of circumstances, are made to support a State policy that favours its evolution.

In the conflict of parties a situation is created that induces conservative politicians, manufacturers, private traders, and others—even landowners, if they be permitted to sell when they like, and misappropriate to themselves all the increment value given to the land by the public demand for it—to encourage the establishment by the State of close settlements of small producers on the land, from motives, not the least of which is to counteract the growing influence of State socialism as a specialised plank in the political platform of a solidly-organised and militant Labour party. If closer settlement is to prove a solid barrier against the advance of State socialism, it goes without saying that land and water will have to be secured at values that will enable settlers, by the due application of intelligent industry on their part, to live in prosperity and comfort, otherwise, instead of being a remedy against State socialism, it may prove a new and dangerous power working the other way, and this is what the power which landowners possess to "confiscate" to their own private use an undue proportion of the fruits of other people's industries must undoubtedly lead to, if not checked.

The application of machinery to rural industries has helped to introduce co-operation to the small producers. When the State of Victoria granted a bonus on exports to encourage the butter-making industry, and employed experts, with complete plant, to travel from district to district to instruct farmers in the use of cream separators and butter-making machinery, and the economic value of co-operative creameries and butter-making factories, co-operation was started amongst the primary producers, and is developing into a self-reliant, self-expanding movement, extending to persons engaged in every form of rural industry. In the "Age" newspaper of 1st June, 1906, a paragraph report was published of proceedings at a conference of delegates from the Western District dairy factories, held at Warrnambool on 30th May, under the auspices of the Western District Factories Co-operative Produce Company. "The chairman, Mr. G. Stewart, of Colac, said that even their bitterest opponents had to admit that the co-operative selling companies had exercised a good influence on the market. Since the company had started, about a year and eight months ago, its turnover had amounted to £645,000. It had made a profit in that period of £4635 13s. 1d., much of which, under previous conditions, would have gone into the pockets of middlemen and speculators. Under the company's system £3710 of this surplus would be returned to the factories, and in addition to this £800 would be set apart to a reserve fund. The company's secretary, Mr. Cameron, who supervised the business in London last year, had furnished valuable information which would result in substantial savings being effected for the associated factories. The manager (Mr. H. W. Osborne) urged the companies to remain loyal to the organisation. There was great joy in the camp of the agents when a company left the co-operative fold."

The above paragraph tells a story complete in itself, and points, with well-founded assurance, to much greater co-operative possibilities. Individual dairy-farmers come together to form local co-operative butter factories, followed up, as a natural evolutionary process, by a federation of all the co-operative factories throughout a wide province, in a conveniently situated central co-operative selling and purchasing agency of their own, with its own co-operative agency in London. This development was hastened by the scandalous manner in which the producers were treated by private middlemen agents, and a further development must assuredly follow, and result in a federation of every provincial organisation in one national centre—a Farmers' Central Co-operative Agency Society—for receiving consignments of every kind of rural produce from members, arranging for freights, regulating exports, grading and fixing prices against which to make advances to consignors—in short, to do everything in selling and buying, and, generally, that members stand in need of, and to act as a propaganda and educating agency for furthering the interests of members and the development of the movement.

Through the able leadership of Mr. C. E. D. Meares, of New South Wales, a central society, constituted upon lines likely to develop this greater federal character, has been established in Sussex-street, Sydney, called "The Coastal Farmers' Co-operative Company," of which the members are maize-growers, co-operative butter factories, cheeseries, cooperative bacon-curing factories, breeders of cattle, pigs, poultry, &c. At the end of the
fourth year of the society's existence the business turnover amounted to about £450,000, with results in every
way far more satisfactory to members than could possibly be obtained through ordinary trade agency channels.
They rely upon the State for nothing but their freedom as citizens. In agitating for a reduction of steamer
freights to London, the directors of the co-operative butter factories, at the instance of Mr. Meares, appointed
delegates (about twenty-five in number) to meet in conference at their own central Sydney agency, to discuss
freights with representatives of the P. and O. and Orient S.S. Companies, and of the Lund and Aberdeen lines
of steamers, and conducted their negotiations to a completely satisfactory issue without calling upon the
Government for any assistance or patronage. Settlers in any country district desirous of starting a co-operative
society of any description have only to apply to the manager of "The Coastal Farmers' Co-operative Company"
in Sydney, and ready assistance is given them. There is a constant alertness manifested to take advantage of
every opportunity to promote co-operative action amongst country producers so as to extend its benefits to the
utmost limits of which the application of the principle is capable, and to consolidate the movement into one
uniformly organised system. A similar disposition was manifested at the conference of the Victorian Western
District co-operative butter factories delegates which met at Warrnambool, and it is clearly evident that the
tendency is to keep on enlarging the area of primary producers' co-operative societies, applied to every kind of
rural produce, and of their federation in provincial groups with a federal metropolitan centre, to the exclusion of
all middlemen agencies and private traders whatsoever, and the discovery is soon made that every requirement
may be economically purchased in wholesale quantities and distributed to members through the same agency. It
is only a matter of natural development for the primary producers to form co-operative societies for
manufacturing all implement and plant requisites for themselves, and settle many trust and combine troubles by
distributing the surplus profits of the industry amongst themselves in proportion to their purchases, in true
co-operative fashion. And this is not the only industry that farmers are likely to engage in to supply their own
wants, when they get used to act cooperatively, win each other's confidence, and find money and safety in it. It
is a movement that is bound to grow amongst rural producers now that it has taken considerable hold amongst
them, affording practical evidence of the benefits derived from it, and the means of escape it provides from the
exploitations of middlemen agents, private traders, and speculators, at whose hands they and their industries
have suffered so many injuries and wrongs.

The prospects are not so encouraging when we come to look amongst the labour population for signs of
that cooperative movement by which millions of the working population of the United Kingdom have raised
their class in the social scale to a position of great material wealth and commercial influence. We have a few
co-operative societies, but no working class co-operative movement. There is a Consumers' Society in Bendigo,
started and successfully conducted by Mr. W. A. Hamilton, ex-M.L.A., and a thriving one at Ballarat, started by
Mr. James Drummond, and making good progress under his management, whilst Mr. G. Thomp-son, of
Adelaide, has rendered eminent services to co-operation in his city by starting the "Adelaide Co-operative
Society" thirty-eight years ago, and guiding it to a state of well-established and growing prosperity. But to
promote co-operation of a progressively expanding character, similar to what has been done in the United
Kingdom, requires an ever active organised propaganda work and enthusiastic, energetic leadership. For lack of
this the social field in Australia is little better than what is termed a "co-operative desert," with the trail of the
politician over it all, to the neglect of all good social work. Had the great capacity of the Labour party for
organising work been more employed in this direction, with some of the zeal and earnestness of which they are so
capable, what great and beneficial results might have been produced long ere now.

The co-operative prospect brightens, however, when consideration is given to the success which has attended
the "Civil Service Co-operative Society," started in 1902, under the leadership of Mr. T. M. Burke,
and the friends whom he gathered round him, and to the promise it gives, by developments which are taking
place in its constitution, of providing a purely co-operative object lesson of a magnitude sufficient to impress
the wage-earning classes with a sense of what is possible to themselves whenever they may have the good
fortune to be similarly led.

The start of the society was a faulty one. This, under the conditions which prevailed, appears to have been
unavoidable if a society was to be formed at all. The whole thing was the result of a sudden impulse, inspired
by exciting circumstances, which at the time appealed strongly to the esprit de corps of the service. The
members as a body were not well versed in the principles of co-operation, nor conversant with its history, and
there was no time to undertake educational work. It was, therefore, decided to form a Civil Service
Co-operative Society at once, so as not to lose an opportunity exceptionally favourable to the enterprise,
although recognised principles vital to co-operation as an economic social movement had for the time to be
disregarded. The society was formed with a fixed capital of £30,000, in 30,000 shares of £1 each, which, under
the excitement of the moment, were promptly taken up by about 7000 members—an unparalleled success, but
which soon proved that the society, under the rule adopted for raising the capital, was composed of members of
the Civil Service, but was not of a Civil Service co-operative character. A Civil Service Co-operative Society
should make room for every eligible member of the service to join the society as they might feel disposed, and should be free to issue shares in ready response to every such application. The other rules were of approved co-operative character, with the exception that a 10 per cent. rate of interest was made permissible to be paid to capital, fortunately disregarded in practice in favour of 5 per cent. only. After payment of this rate and all other expenses, what private traders call "net profits," were made returnable to members as savings upon their purchases. Business has been conducted upon strict cash principles, and this rule has, with little doubt, been a main factor in enabling the management to escape many troubles more or less serious. Notwithstanding this, so little did a large proportion of the members realise the true character of the movement they supposed themselves to be engaged in, that many hundreds of them failed to make their purchases at their own store, yet expected their shares to go to a premium, like those of a joint-stock company trading with the general public, and dividing all profits upon capital.

This want of fidelity to the store and to their fellow-members, and these unreasonable expectations, were absurd, of course, and very embarrassing to the management, who found it hard to amend the situation, because, by the joint-stock system adopted for raising capital, the doors were barred against receiving the continuous inflow of new members which the Industrial and Provident Act provides for. A co-operative distributive society is constituted to trade with its own members, and if its own members will not support the trade of their society the result must be obvious.

Early evidence was thus given of how necessary it was that this unworkable rule should be repealed as soon as ever practicable, and the society placed upon a proper co-operative foundation by the adoption of the only rule for raising capital by which the society could grow and prosper. This meant active propaganda work amongst the members, and the commencement of a very remarkable history in the annals of the co-operative movement.

The need for this educational work was anticipated by the establishment of a monthly newspaper called "The Federal Co-operative News" from the very first, and, at an early stage of the society's history, the directors called to their aid about 120 members, representative of the various branches of the Civil Service, and of the various suburban localities where members of the society mostly resided, and of these a propagandist association was formed, under the name of "The Co-operative Union." This body, in conjunction with the members of the board of directors and manager, have held regular monthly meetings in Melbourne, under the presidency of Captain J. C. Bartlett, president of the Civil Service Co-operative Society, and the benefits which have accrued to the society as the result of their deliberations in council and propaganda work in the field, have been so distinctly felt and appreciated that the "Union" has been made an elective and permanent institution. This supremely important development, and the special subjects to be discussed and objects to be realised, were the fruitful results of Mr. Burke's thoughtful studies of the work and objects of the "Co-operative Union" of Great Britain, which has a membership of "1230 co-operative societies, representing 2,115,995 individual members—93.6 per cent. of the total membership of the co-operative movement."

The work accomplished, or carried to the verge of accomplishment, through the instrumentality of this Civil Service co-operative propagandist association, may be summarised as follows:—

- By means of friendly personal interviews many of the non-dealine shareholders were induced to take a sensible and correct view of their obligations and responsibilities and to become purchasers from their own store. The loyalty of others was pre-served by similar means when wavering under the influence of temporary inconveniences they were not accustomed to experience when served by local tradesmen. The genuine co-operative sentiment, ready to submit to, and conquer, every inconvenience for the sake of a great principle, is a matter of slow growth, but the result of the mission work of the Union proves that in a large number of cases this was more for "want of thought than want of heart," and the co-operative spirit began to be kindled and fostered into life.

- Shareholders who, in the first burst of enthusiasm, took up more shares in the capital of the society than were necessary to support their own individual contributions to the business, were persuaded to place the surplus in the hands of the management for sale to new members, so as to increase the number of store customers. There was no sacrifice in this, because increased advantages accrued to every member by the greater net profits realised for division upon purchases—a matter of more monetary importance than the 5 per cent. interest payable to capital.

- When, about the middle of the year 1905, the directors of the Civil Service Co-operative Society were anxious to raise a sum of £8000 upon debentures, in order to enable them to finance the society's new premises to completion, the matter was submitted to a meeting of the Co-operative Union, whose members took it up, and, in three weeks' time, more than the amount was at the disposal of the board.

- Through the same agency a scheme for the creation of a Civil Service Co-operative Credit Bank was discussed, and placed in the hands of a sub-committee for the purpose of putting it into practical shape. The Civil Service Co-operative Credit Bank has been, for some time now, a successful going concern,
and many shareholders in the Civil Service Co-operative Society, who had previously been unable to extricate themselves from the books of private traders and deal with their own store, have been able to free themselves from these disabilities by money borrowed from their own financial institution.

The Credit Bank is quite distinct from the Civil Service trading society, although closely allied to it, and, being co-operative, its customers have first of all to become members by holding at least a £1 share in its capital, which may be paid up by small monthly instalments.

"See Appendix—"The Civil Service Co-operative Credit Bank."

Several discussions have taken place at the Union meetings about the advisability of taking steps for rescinding the joint-stock rule by which the capital of the society has been raised, and for adopting the Rochdale system, which the Industrial and Provident Act provides for, and, although no formal resolution had been carried at the time this was being written, it was almost assured that the Union were prepared to recommend the change and aid in its accomplishment.

The Co-operative Union have rendered essentially important services to the board of management in advancing the interests of the society. They were enabled to transfer the society's business to the handsome building erected on the society's own freehold—land and buildings costing £30,000—before the third year of the society's existence entirely lapsed. They assisted very materially in providing the society with a Civil Service Co-operative Credit Bank ally, which, whilst accommodating members with loans, also relieves the store from liability to have to refuse credit for goods in instances when it might be painful to deny it, and adds immensely to the store's attractions; by their efforts the members of the society were increased in numbers from 7000 to 9000 by the better distribution of its 30,000 shares, increasing the business to an annual turnover of more than £100,000—not one-half of what it might be "were every member giving loyal business to the store. It now only requires that the Rochdale system of admitting members and raising capital should be adopted to give the society a true co-operative constitution, freely opening its doors to every eligible member of the Civil Service ready and willing to enter it.

But even were this last condition, so necessary to complete its constitutional co-operative character, complied with, it would still fall short of being typical of co-operation as a social movement so long as the society retained its class limitations.

A co-operative movement, to be a social movement, has to be a people's movement, without class distinctions. For want of this broad social character, the Civil Service Co-operative Society has already come into practical competition with co-operative societies founded on the broader type in Bendigo and Ballarat. To support this view, it is not necessary to prove that the provincial societies should have lost one member or one customer on this account, or that the Civil Service Co-operative Society's branches opened in those localities should have dealt in any instance with one person outside their own class. What violated the economic character and confraternal spirit of co-operation was that two co-operative societies should have been found occupying one and the same territory. This "overlapping" is one of the special evils against which the leaders of the movement are constantly on the alert as an unnatural form of competition, and is certainly a breach of the monistic conception of society, so lucidly denned by Huxley, of which co-operation bids to be the practical economic embodiment.

The managers of the Civil Service Co-operative Society soon came to realise the significance of this unco-operative situation, and took early steps to amend it. The experience, however, was a valuable one, and a gain to social evolution. The concession made to a principle essential to co-operative unity, when sanctioned by the members of the Civil Service Co-operative Society, may be accepted as an indication that the institution is automatically developing into a broad people's movement. This is more than confirmed by an important progressive step which the directors of the society and members of the Co-operative Union have taken to persuade eight or nine other co-operative societies throughout the country to federate with the Civil Service Society to establish a central co-operative purchasing society on the lines of the Great Manchester and Glasgow Wholesales. This, when completed—as it promises to be—must do away with the last vestige of class distinctions, making all members of one organised body. The smallest society will be able to secure wholesale supplies at prices equally favourable with those which the largest purchaser can command, and every successful new society that joins the federation will always add to the strength and security of the whole.

Everything considered, it may be regarded safe to assume that co-operation, both on the Rochdale system and on that which fits in with the economic requirements of primary producers, is on the eve of becoming a well-organised social force in this new land, with a propaganda of its own for promoting the movement, without calling upon the State for aid in any matter which co-operators as individuals can manage much better for themselves. The State, however, is bound to act a part of supreme importance in forming rural settlements for placing primary producers on the land under conditions that will enable them to co-operate in marketing their produce and obtaining supplies, and to surround themselves with the comforts and amenities of a civilised existence. This is a matter that requires separate consideration.
CHAPTER IX.

Increment Land Values and Closer Settlement.

This is a question that lies at the root of the whole social problem. Upon its solution fundamentally depends whether the country is to be settled by a prosperous class of primary producers or by a struggling class of late-and-early toilers, slaving to make a bare and precarious living, that, in course of time, may urge them to implore the State to take the whole thing over and relieve them of their miseries. In co-operative trading we have seen that, after all expenses, including interest upon capital, had been paid, the surplus profits were restored to members on their purchases, as the legitimate owners of what they themselves created. Waiving the question of the right of making a commercial commodity of land at all—that is past praying for, and society has to get out of the trouble the best and fairest way it can—it may be freely conceded that landowners are fully entitled to have the legitimate capital value of their investments respected, but it is quite another thing that they should be permitted to make monopolistic use of it to confiscate the rights and interests of the general public. It is for this that the combines and trusts are made the subjects of restrictive and hostile legislation, and they receive more justification from the laws of orthodox political economy, founded upon the doctrines of competitive individualism and laissez faire, for their commercial and financial enterprises, than can be claimed by landowners who have simply to "lie low" and do nothing in order to reap the fruits of their monopoly, and leave the industrial community to do all the work.

Land is The Great Natural Monopoly, to which no single individual nor single generation can claim special proprietary-rights, and, when made a commercial commodity of, there is no law in political economy so certain as that by which land increases in value by the increased demand for it by an increasing population, and that without any effort on the part of the owners.

The increasing value of land indicates the pressure of population on the means of subsistence, and is greater in densely populated countries, and in and near towns, than in new colonies and at distances from closely inhabited centres. The pressure may be temporarily relieved in the more densely populated situations, but only to be increased in the others, by the building of railways and ships, by which the surplus products of distant areas and countries can be economically exchanged, and emigration from thickly-populated countries to new lands facilitated. But this is only reducing the pressure to an average level by distributing it over a larger area—not arresting it for one moment, but giving it a wider base from which it commences at once to continue its upward movement. The law always holds good that the value of land rises with increase of population, and in a manner:—

- More certain and unabatable than the rise in value of any other commodity; and,
- Altogether different in character from the aggregate increase of other forms of wealth.

The value of a commodity does not primarily depend upon the capital employed, upon its production. It must have some value in use before it can have any in exchange. Air does not cost anything to produce, but its intrinsic value is such that, if it could be monopolised by a class, the rest of mankind would have to pay dearly for its use. On the other hand, an article may be costly to produce, and yet be unmarketable if it has no value in use. The supply of any commodity cannot be continued for less price than will repay cost of production, with something additional for profit; and it will not permanently rise above this level, provided that it is possible to keep up the supply to an indefinite extent. As soon as there is a tendency for prices to rise beyond this, the influx of fresh capital into the industry will again reduce prices to what is termed the natural value. Articles which cannot be thus indefinitely produced, or are under class control, are essentially monopolies, and although the cost of production to the owners may be comparatively low, the cost to consumers will be high in proportion to the intrinsic value of the article. The supply of food in times of famine rises to whatever it is possible to give in exchange for it, for it is a matter of life or death. The demand for commodities less necessary to existence will not reach this extreme limit, and no scarcity will force an article beyond the price which people can be made to pay for it sooner than go without.

Commodities, therefore, which can be produced to an indefinite extent will be maintained, with more or less fluctuations, at prices which afford a margin for an ordinary rate of profit, and they are only articles of necessity of which the supply is, or can be made, limited, which can have an increment value above this natural level. Natural monopolies, and commodities incapable of indefinite supply, are not subject to this rule, but have an increment value not depending upon the cost to owners, but upon the important nature of the want to be supplied, and the more important the want the greater the possibility of the increment value.
The conclusion is inevitable that land, which is a commodity not only incapable of addition to its quantity, but which is constantly diminishing in inverse ratio to increase of population, and is the source of all supplies, must increase in value as time goes on at a greater ratio than that of any other commodity not of such prime and absolute necessity.

Again, there is no comparison between the increment value of land and the increase of other forms of wealth. Other wealth increases by adding building to building, railway to railway, improvement to improvement, and to maintain this increase, and counteract the effects of deterioration and decay, constant thrift and industry have to be practised. Amidst all this activity the value of land rises without the addition of a fraction to its quantity, and altogether independently of the efforts of the owners, or the fructification of the capital invested—or, rather, locked up—in it. Buildings and improvements are of no more value than what would be the cost there and then to reproduce them; the increment is on the natural, or unimproved, value of the land alone. Capital employed in industrial pursuits increases by constant activity and thrift, and it is out of the product of this general industry and economy that landowners (as distinct from land cultivators) receive that which gives enhanced value to their investments. The profits arising from manufactures and commerce, and from improving and using land, represent something actually produced to maintain and increase the general wealth. The demand for houses does not necessarily increase the value of houses already built. It means an addition to the general wealth by the building of more houses, but a demand for land raises its value, and increases the wealth of its owners by diminishing the wealth of the rest of the community, and not by the addition of a single cent's worth to it. The conclusion is indisputably clear that capital invested in the raw material of the earth cannot be increased in the industrial and economic sense of the term, and that land investments are simply the purchasing of a power by which the owners can compel the industrial portion of the community to hand over an undue share of the wealth which they create to non-producers, a power which waxes greater and greater as population increases, with a relatively diminishing area of land to live upon.

There is no intention here to discuss how the problem of increment land values is to be solved. It is sufficient to call attention to the fact that there is such a problem to be solved, if the social problem itself is to be solved without State socialism. Co-operative societies of primary producers, and—thanks to the great work done by the State civil servants—co-operative societies of consumers, are each moving in a direction which eventually must bring them into close economic relationship with each other—the one in search of a market for their produce, the other of supplies, and both eliminating the services of middlemen and private capitalists from their ranks as they develop their several organisations. This is a process which has within it possibilities to solve whatever portion of the social problem may fall to the lot of intelligently organised individualism to accomplish, without any call for State aid. If, however, conservative anti-socialists are able to influence Governments not to undertake the solution of the increment of land values problem or its modification, but permit it to take its natural course unchecked, the agitation for State socialism, which the co-operative movement is calculated to overcome, may receive fresh vigour from the hard lot of settlers placed on the land under conditions to which State socialism would be a welcome change.

Appendix.

The Civil Service Co-Operative Credit Bank.

A brief description of how this institution came to be established, and a practical instance of how it works, will give a very clear conception of its nature and objects, and of the important part it is likely to play in the co-operative movement.

When reasoning with a shareholder of the Civil Service Co-operative Society for not giving his custom to his own store, Mr. Burke discovered the cause to be the member's indebtedness to his local storekeeper to the extent of £9, which mortgaged his freedom beyond his ability to redeem himself. His income was but little over £100 per annum, more than £50 of which was annually spent with the local trader, and the prices which he had to pay were 15 per cent. in excess of those charged at the Civil Service stores for the same class of goods, or £7 10s. per annum, because of a £9 indebtedness on the storekeeper's books.

This would average 9d. on every 5s. worth of goods purchased, and probably may not have been too much of a premium for the storekeeper to charge to cover risks of loss to which a provision business run on credit is liable. The case in point was a rather hopeless one, and of pathetic interest. There was not much chance of recovery under the circumstances which held him in their relentless grip, and the storekeeper was as helpless in the matter, probably, as his customer. The trader must pay his way, and the system made it risky.

Mr. Burke was acquainted with the literature of People's Co-operative Credit Banks, and the idea forcibly struck him that a Civil Service Co-operative Credit Bank, in association with the Civil Service Store, would
Delivered at a meeting of the Wellington Liberal and Labour Federation held in Wellington on 17th June, 1908.

Speech by the Hon. Dr. Findlay, K.C., Ll.D., Attorney-General.

Labour and the Arbitration Act.

J.R.

Co-operative News.

information, it is necessary to send a postage stamp for reply. See notices and advertisement in "The Federal...seven other directors, with J. Cummins, secretary—all members of the Co-operative Union. In writing for...members in this and other similar respects.

This bank and the co-operative store act and react economically on each other. Were it not for the bank this borrower could not have paid off his indebtedness to the private trader and transfer his custom to the co-operative store, and without the savings effected by dealing for cash with the store, he could not hope to keep his repayment engagements with the bank.

At the rate of £50 of purchases per year, he would have to expend with the private trader, for the nine months the loan ran, £37 10s.—for goods which cost him at the co-operative store £31 17s. 6d., making a saving of £5 12s. 6d.; to this has to be added 6d. per £ returned on his purchases, j 15s. 10d., bringing the whole up to £6 8s. 4d., to which he had only to add of new money, £2 19s. 2d., to repay the bank the borrowed money, with interest—£9 7s. 6d. and continue to save at the same rate ever after.

This is said to be by no means a solitary instance of the good this bank has accomplished, in association with the store, to help members out of "very tight' places. Although the principle of people's banks is not new, this particular application of it in association with a co-operative retail store is the first of its kind, so far as? know, and seems entitled to special attention as a likely means, if adopted, to solve the credit difficulties which British co-operators find it hard to eliminate from their ranks, much to the detriment of their movement. There are always cases in which to refuse credit seems somewhat cruel, and yet to give way in one instance makes it difficult to keep loyal to the cash system By having a credit bank to apply to, a customer's temporary financial wants may be relieved, and the cash principle in trade preserved inviolate.

Many members of the Civil Service Co-operative Society, as Mr. Burke feelingly remarked to the writer, were kept more or less bound to the local traders, not because they were ever under the necessity of obtaining their supplies on credit, but because circumstances might any day place them in that position, and whilst private storekeepers were always ready to accommodate customers, of whose reputation they had probably many years' satisfactory experience, with whatever credit they might require, the rules of the Civil Service Store could not recognise the claim, however deserving and pressing. This loyalty to a cardinal principle in strict retail trade economics, was ready to place the store and its customers at any time at a disadvantage, against which customers made provision by keeping up their connection with the private storekeepers. The establishment of the Civil Service Credit Bank not only removes all liability to the occurrence of strained relations of this nature, but presents the remedy in a form which vastly increases the economy by which the accommodation can be received, and preserves the indepen- dence of members by patronising their own financial institution, instead of being under obligations to outsiders.

This, however, is not quite the same thing as the system of People's Credit Banks, designed to aid persons engaged in reproductive industries, by which, for instance, primary producers are helped to pay cash for fertilisers, seeds, stock, implements, &c., to be repaid out of the increased wealth which the investments produce. In strict economy, the true sphere of credit is to aid reproduction. It is quite another thing to use it in making loans in order to help persons out of financial difficulties, owing to having incurred expenses in excess of their incomes, and who have to submit themselves to the practice of more or less severe economies in order to repay the debt. To meet such cases, the Civil Service Cooperative Credit Bank is a most admirable and really beneficent institution, driving usury and distress from the door of many deserving families.

The bank is not only used for helping members out of difficulties such as anyone is liable to be placed in, however prudent, but also to economise expenditure. One small example will explain. A member, for instance, may find it very inconvenient to find the amount requisite to purchase a yearly or half-yearly railway travelling ticket. No more need be said. The Civil Service Co-operative Credit Bank is prepared to accommodate its members in this and other similar respects.

The office is at 114 Flinders-street, Melbourne, managed under the Presidency of W. M'Iver, A.I.A.V., and seven other directors, with J. Cummins, secretary—all members of the Co-operative Union. In writing for information, it is necessary to send a postage stamp for reply. See notices and advertisement in "The Federal Co-operative News."

J.R.

McCaron, Bird & Co., Printers, 479 Collins-street, Melbourne.

Labour and the Arbitration Act.

Speech by the Hon. Dr. Findlay, K.C., Ll.D., Attorney-General.

Delivered at a meeting of the Wellington Liberal and Labour Federation held in Wellington on 17th June, 1908.
Suggested Amendment of Existing Laws.

An important review of the Industrial Conciliation and Arbitration Act, its history, results, and the future prospect of the measure, was given by the Hon. Dr Findlay (Attorney-General and Minister of Internal Affairs) last night before a meeting of the Wellington Liberal and Labour Federation in Udder's rooms, Cuba street. It was a wet snislit but there was an audience which filled all the available space. Mr George Winder (president) was in the chair, and among those present were Sir William Steward, M.P. (Waitaki), Hon. C. M. Luke, M.L.C., and Mr W. H. P. Barber, M.P. (Newtown). The speech was followed with intense interest, and concluded amid a demonstration of cordial appreciation.

Hon. Dr. Findlay said:—

I recently delivered an address at Wanganui on "Labour and the Arbitration Act" in which I traced the origin and outcome of our wage system, and t to show the purposes, the possibilities and the failures of our Industrial Arbitration law. Owing partly to the great and pressing importance of the subject—partly because of the liberal length of the press reports throughout New Zealand—especially in the three Wellington dailies and in the "Lyttelton Times,' my views have had the advantage of criticism by every prominent daily newspaper in this country. And the temper of this criticism—though often advrinse—ha6, on the whole, been fair and unembittered by party feeling. Indeed, several of the most influential journals have shown by their tone that industrial npnee, like national safety, should be lifted above the came of politics, above the play and partisanship ot party conflict, to that higher level ot discussion in which all sectional differences are sunk in a united effort to demise and obtain the fair trial of an improved industrial arbitration system.

The Speaker's Aim.

I am not here to-night to deliver a fighting political speech. I am not going to attack or defend any party, am here to contribute such serious thought and information as I possess to a better understanding of the most difficult, the most vital, and the most urgent question of the day—the Labour question—and before I proceed let [unclear: n] earnestly impress this upon you, as intelligent men and women. No solution of any problem can be hoped for until the facts are dispassionately ascertained and considered, and until ways and means can be seen. Facts are often dis tasteful—they frequently shatter Cher ished illusions, they disappoint our hopes, they condemn many of our an tagonisms and bitternesses, and, above all they eject us from the fool's paradise of which well-meaning fanatics and sentimental day-dreamers, flattering out discontent, sometimes make us tenants Heated language, fiery denunciations of existing evils and capitalistic classes will help us little.

Get Down to Facts.

We must get down to facts—truly diagnose complaints and their causes, decide their remedies, and then ascertain if ways and means are available. It has been said that many of the advertisements of modern patent medicines aim chiefly at persuading people they have got the disease rather than offer any reliable proof that it is curable—and many of our platform social physicians seem to follow the same practice. Heaven knows we all recognise the evils well enough. What is wanted is a true and permanent remedy, and that remedy is certainly not to be found by inflaming drafts of revolutionary rhetoric. I believe that where our deepest interests are concerned it is better to be told plain—if unpalatable—facts than be fooled by glorious lies about impossible Utopias. If to night I submit facts and figures which disappoint the hopes of any section oij the community. I claim that I am performing a useful if a thankless service.. I propose ta divide my address under three heads., viz.:—

1st—A Defence,
2nd—A Criticism, and
3rd—An amendment of our Industrial Arbitration Act and under the first head to reply to the critics of my Wanganui speech. In my Wanganui speech I tried to establish the following propositions:—

• That the English wage system was originally non-competitive and that until about the beginning of last century wages were determined and regulated either by law, custom, or the Craft and Merchant Guilds.
• That such regulation save place under machine industry and the doctrines of natural liberty to a system of competitive wages.
That this system produced the so-called "iron law of wages," a bare subsistence or sweating wage, and with it produced evils so widespread and revolting as to set agencies at work to check its operation and limit this "iron law." These agencies were philanthropy, public opinion, trade unionism, and finally, legislation.

That this broad movement beginning with the wage regulation is passing through the stage of free competition, and in New Zealand, at least, is setting back to wage regulation again, thus illustrating in part Sir Henry Maine's principle of progress—from status to contract—and in part a reversion from contract back again to status.

That the most effective check upon the iron law of wages yet devised was the legislation which we call our Compulsory Industrial Arbitration, and that it was this Act which arrested and exterminated the sweating—proved to exist in New Zealand before the Act came into force.

**Arbitration Act Stopped Sweating.**

Much of all this is admitted by my critics, but some of them say that sweating in this country was not eradicated by the Arbitration Act but by the Factory Act, passed before it or short-[unclear: y] after it. In reply, I appeal, first to the Arbitration Act itself, which opened a Court to every seven industrial workers to secure for them, at least, a [unclear: living] wage in their calling—second, I appeal to the facts. At Wanganui I quoted figures taken from official reports and awards to establish the following facts:—

In 1890 tailoresses got 15s a week.
Hosiery workers, 9s a week.
Shirtmakers, 18s 6d a week.

These were the maximum wages paid and I quoted these and other trades to show that sweating rates existed in 1890. I also showed that under awards by the Arbitration Court these rates had been nearly doubled, and were 25s, 20s, and 30s respectively. Now the simple question is, were these marked advances from a sweating to a fair wage effected by the Factories Acts? Plainly not, as the following facts prove:—

If you will refer to the Factories Act, in force in 1894, and the earlier Factories Act of New Zealand, you will find that they contain no provision whatever for a minimum wage. Hence an employer could, until the awards of the Arbitration Act came into force, pay a factory operative no wage at all or as low a wage as the operative would agree to take. It was not until 1899 when "The Employment of Boy's and Girls without Payment Prevention Act, 1899," was passed, that is five years after the Arbitration Act became law, that any minimum wage was fixed for factory operatives in New Zealand, and what was that minimum wage? Here was the only statutory provision until 1902:—Section 2 of the Act of 1899 provides that "Every boy or girl under 18 years of age is to be paid in no case less than 4s per week for girls, and 5s per week for boys irrespective of overtime." until 1902 this was the only Factory Act provision for a minimum wage. Towards the end of 1901 a new Factories Act came into operation, and section 31 provided that for boys and girls under eighteen the rate of wage was to be not less than 5s per week, and thereafter an annual increase of not less than 3s weekly until twenty years of age. But on the passing of the Arbitration Act, 1894, as I have said, any seven workers in any factory could form a union, bring a dispute as to wages before the Court, and have at least a living minimum wage fixed.

Thus by recommendations, agreements, or awards under the Arbitration Act, the wages of shop tailoresses and factory tailoresses and pressers were fixed at a living rate long before the Factory Act of 1901 came into force—see Parliamentary Return H. 11 D., showing awards, etc., under the Arbitration Act from its inception. The same return also shows that in scores of trades and factories the minimum wage was fixed by awards of the Court and not by any Factory Act—before, indeed, any Factory Act provisions for minimum wages existed.

In view of all these references can it be seriously contended that sweating in this country was eradicated by the Factory Act, and not by and through the agency actual and potential of the Arbitration Act.

**Mr Reeves' Testimony.**

But I further contend that the Act was designed in part to prevent sweating and not to prevent strikes alone. I quoted from perhaps the best authority I could get, the framer of the Act himself, to support my contention. I need not do more now than give a further, and I think, conclusive proof. In giving a full account of the origin and purpose of our Arbitration Act, of which Mr Reeves was the framer, he says on 70 pages of his work on State experiments in Australia and New Zealand. "These (the critics of the Act) write of it as if its sole function was to deal with the militant, highly organised bodies of combatants with strikers or those able to strike)." Far
from being confined to this, much of its (i.e., the Arbitration Act's) best and most humane work is done in improving the condition of sweated workers, too poor and too weak to give battle in the ordinary fashion of industrial warfare (i.e., by strikes). It is the best hope of the woman worker for whom Trades Unionism has done so little." I repeat then, that the act has served, and was intended to serve the double purpose of sweating and strike prevention—purposes very far indeed from being identical.

I contended that the Act had for many years prevented strikes, and that if reasonably used in the spirit intended by its framers, it would always prevent them. This contention has been adversely criticised. I am not going to repeat the proofs I gave, but submit these considerations to unbiased critics:—

- There were in 1906, 290,000 wage earners of all kinds in New Zealand, and the average number throughout the whole career of the Act would be over 250,000.
- Up to the present time there have been

### Eighteen Strikes in Thirteen Years.

Eighteen strikes have taken place in New Zealand, all really small and shortlived, and only twelve of these have been illegal, since in six the Act had no application. In these six there was no union award or binding agreement. In these illegal strikes, 740 men all told engaged, that is, less than one-third per cent, of the above average of total wageearners in this country, and if those engaged in strikes (legal and illegal), be included, not one half per cent of these 250,000 workers.

The days of idleness of workers due to these strikes were very few. In some cases the strikes only a day or two.

### An Interesting Comparison.

Now compare these figures with our Motherland's experience. From 1891 to 1900, that is in ten years, there were 7931 labour conflicts in Great Britain, involving 2,732,169 workers. It is estimated that the total wage-earners of Great Britain of all classes was in 1906, 14,640,000, and, during the decade in question would be about 12,700,000. Thus, during this decade, over 20 per cent of the British workers were at some time or other directly involved in a labour conflict, as compared with less than onehalf per cent, in New Zealand during thirteen years.

The total number of days British workmen were idle in these ten years owing to strikes (i.e., multiplying the days idle by the number of men idle), was 106,191,528, making an average idleness of about 39 days per man.

### Stort-Lived Tiffs.

In New Zealand I have no definite figures of the time of idleness, but it has not been more than a few days per man in thirteen years. No wonder English reviewers of our experience tell us that our strikes have been but short-lived tiffs, as compared with the long and desperate industrial struggles of Great Britain, where compulsory Arbitration has not yet arrived. But surely, most of us in connection with the work of our Arbitration Court fall into a very common error—that of measuring the importance of incidents as well as individuals by the extent of their noisy obtrusion upon public notice—treating them as typical (which they are not), rather than freaks (which they are). It is a sample of this error which seems to induce some people, even editors (if one may include them without profanity), to treat the Act as a disabled and useless machine because a few short-lived strikes have taken place, and a few very noisy gentlemen have declared they will have none of it. But let us be just before we are censorious. Follow the career of the Court and the Act since their inception!—follow the Court's work to-day with a fair mind, and you will admit that it! has done, and is doing splendid work., discharging one of the most difficult tasks with fairness, ability and patience.'

I claim that the Act has done immense service in this country in the cause both of industrial peace and fair wages. That, it is capable of improvement (as I hope! to show), should not belittle that service.

### The Cost of Living.

I contended that the Act had not appreciably increased the workers' cost of living. This view has been
considerably canvassed. It is very important to decide whether the operation of the Act is merely to increase the nominal wage, leaving the real wage stationary—or, in other words, to take away the benefits it confers as higher wages by causing a corresponding increase of prices. If this is truly its operation, I admit that the; Act as it stands, is of no value to workers as an instrument for getting for them a better real wage. Hence it is essential to decide this question. Now, first let me emphasise an important point. My proposition was that the Act had not caused an increase of the cost of living of the workers—that is of the wage-earning class which it was passed to protect or deal with. I am not concerned just now with the effect the Act had upon the cost of living of the wealthier classes. It is quite demonstrable, I think, that it may—and probably does—affect the cost of living of the wealthier sections of the community, while it does not appreciably affect the cost of living of the worker. This may be recognised if we remember that a man with a wife and a family on 50s a week must spend it almost wholly on, the necessaries of life, while a man with £50 per week spends only a very small; proportion of his income upon necessaries. And if necessaries escape the, influence of the wage increases of the Arbitration Court, and other commodities do not, mv distinction would be largely established.

Wages and Prices.

Now let me point out that economists have never established any law of connection between increases or decreases in wages and the workers' cost of living. There is an immense amount of economic writing on this topic, but I will cite only one authority. An inquiry was made by the British Board of Trade into working class rents, housing and retail prices together with the standard rates of wages prevailing in towns of the United Kingdom. Their report is published in the journal of the Royal Statistical Society for March 1908 and it will be seen that the report admits after the fullest investigation "that no general law of connection has been established between variations in wages and the cost of living,." Of course I do not deny that, if wages are increased all round, this must have an effect on prices, but it by no means follows that all prices will rise.

Now at Wanganui I quoted a report from the Registrar-General which showed, that in 12 years since the Act passed the cost of the workers' living based upon the chief articles of diet had increased 18.6 while the general increase in wages effected by the Act during the same period was 17.9. This report did not include rent or clothing and it is admitted that if these items had been included the increase in the cost of living would have been greater. Probably the increase has not been less throughout New Zealand than 20 per cent. How much of this increase is due to the Act? Now you cannot answer this question off-hand. A reliable answer can be obtained only by examining the items of expenditure which make up a worker's cost of living and ascertaining how much, if any, the Arbitration Act has affected the prices of these items. Let us take a worker on 50s. per week. Here is a statement regarding the weekly cost of living computed from actual expenditure for a fairly of father and mother with three children whose ages were 3, 5, and 7 years respectively living in a four roomed house in Christchurch. This statement was given before the Arbitration Court about 6 months ago by a worker's wife whose budget seems very carefully compiled.

Probably other wives would vary these items a little, but with 50s to keep 2 adults and 3 children, there is little if anything for any luxuries and food rent and clothing must cost the family about 5s 6d of the worker's wages. The lower the wage as I have said, the greater proportion of it must be spent on the necessaries of life. Now let us look through these items, and ask how much the price of them has been increased owing to the Arbitration Act.

Why Living Costs More.

Begin with food. It may be said to consist of variously—beef, milk, Hour, potatoes, sugar, mutton, bread, oatmeal, eggs, pork, butter, rice, tea. The Registrar-General found that, taking all these necessaries, there was a rise in 12 years of 18.6 per cent. What has caused this rise? There have been as there always are with respect to the price of necessaries several causes. Wheat, oats, milk, potatoes, meat—remember how seasons good and bad—drought—shortages due to market flotations and other causes affect these commodities—remember also that the wages of farm labour have not and do not vary greatly from decade to decade, and one must surely admit that to unhesitatingly conclude that the increased price of these commodities is due to wages having been raised in a number of industries by the Arbitration Court is somewhat unreasonable. But there is a further consideration and that is the prices our export of food stuffs have been obtaining in Britain and foreign markets. These prices are plainly not effected by our cost of production—but the wages we are paying here, but by the competition and by supply and demand in the world's markets.
Foreign Demand and Local Prices.

If the wages in New Zealand had been doubled we should have got no more for the foodstuffs we exported, and if these wages had been reduced 50 per cent, we should have got no less, and prices here would have been about the same. The foreign markets for our foodstuffs practically control on the average the local prices. The price one pays for the best butter in New Zealand is, in the long run, determined by what its prevailing price is in London. Producers are not likely to take less here if they can get more in Great Britain. Now, I am not going through all the above items to prove it. The Registrar-General has furnished me with a mass of figures in support of the view I am advancing, but they are too long for statement here: I assert that there is not a single item in the above list whereon any material increase in price is paid by the workers simply on account of an increase of wages under the Arbitration Act. Next with regard to the second important item—rent.

Land Values and Rents.

I repeat my contention at Wanganui that the increase in rent is mainly due to increase in unimproved value of City lands. The statement above given fixes rent at 11s per week, but that is in Christchurch where rents are lower than in Wellington. I instanced Wellington and said that the unimproved value of the lands within the City boundaries had increased about 200 per cent. Apply this to a piece of land necessary for a worker's home suppose it cost £80 in 1890. it would with this increase cost. £240 in 1907. I find that about £240 is about the average cost price of the land upon which a 5 roomed cottage can be built in Wellington now. Rent must be paid on this increase, and converted at 5 per cent. it is equal to over 3s per week.

The Cost of Building.

But it is said the cost of building has increased. Now refer to pages 12 and 13 the Parliamentary return bore referred to and it will be found that the Arbitration Act has increased carpenters' wages very little—less perhaps than those in most other trades. On page 12 you will find the award rates with regard to builders and general labourers. Compare these with the rates prevailing when the Act came into force and I confidently assert that the increase in rent of a worker's cottage due to increases in wages paid to all those employed in building it is not 4d per week.

It is true building materials are dearer, but investigate the causes and it will be found that they are many, e.g. greater demands, more combination and less cutting competition among the suppliers of timber and other building material; increased cost of obtaining timber owing to the forests becoming more and more remote; increased royalties asked by forest owners-and to a small extent increased wages. But express in the form of increased rent of a worker's home, the increased cost of it due to increases in wages paid to all those employed in building it is not 4d per week.

What Clothing Costs.

Next with regard to the clothing a working man and his family require. Messrs J. Smith and Sons and Messrs Veitch and Allan, of this city, both firms being highly qualified to give an opinion, have very kindly furnished me with a carefully prepared statement of items and prices of all clothing and boots required for a worker of say 50s a week, his wife and three or four children. These statements are here and are available to the public. Messrs Smith and Sons fix the total cost of clothing without boots at £17 7s 2d per annum, and think that the difference in prices (allowing for value) between 1894 and 1908 is about £4. Messrs Veitch and Allan show that boots and slipovers cost no more now than in 1894 since improved machinery has counterbalanced any advance in the price of material and labour. As regards the annual cost of clothing of a worker and his family Messrs Veitch and Allan giving details fix it at £22 17s 8d now, as against £18 16s 7d in 1894. An other firm. Messrs Warnock and Adkin, also well Qualified to express an opinion, inform me that there is not much difference between the price of ready-made goods now and 14 years ago, but perhaps it would average a little more now. All classes are, they say, wearing a better class of goods than formerly. This firm has also supplied me with an interesting table of a married worker's clothing expenses. How much of the differences of price between 1894 and 1908 is due to increased wages and how much to other causes has not been and probably
could not be stated. But both firms agree in fixing the whole increase at something over £4 per annum, equal to about 3 per cent, of the workers' wages, a little over 6d in the £ even if the whole were due to increased wages, which it certainly is not if one remembers increased shop rents for example. I have thus dealt with the principal items of outlay by a worker. If you will peruse the list of other items you will see that they have been practically unaffected in price by the Act.

**Conclusion from the Facts.**

My conclusion, therefore, is that while the workers' cost of living has increased probably 20 per cent since the Act came into force, this increase has been only in very small part due to the operations of the Arbitration Act, or in other words, is not appreciably due to the all round increase in wages. 17.9 per cent., which the Court has given in the trades it has dealt with.

But I also said at Wanganui that employers had transferred to the community, in the shape of increased prices, the extra wages the Court had awarded, and I have been told that my two conclusions are inconsistent, and that if all the extra wages have been so transferred in the shape of prices to the consumers the particular consumers affected must pay for the all round 17.9 per cent, increase in wages given by the Court. I admit this, but it does not contradict my proposition that the increase has not materially affected the workers' cost of living, because

- The workers benefited by the Act are but a class, and the burden of their increased wages does not return in the shape of prices upon themselves alone, but is distributed over the whole body of the consumers, of whom they may be but a small section, small in proportionate numbers and smaller still in the extent of their consumption—e.g., in the case of luxuries.
- Of the 80 trades referred to in the Parliamentary Return above quoted the great majority are not engaged in any way in supplying any of the articles upon which a worker's wage is almost invariably spent, and hence the price of these articles cannot be appreciably affected even indirectly by increases of wages in the majority of these trades.
- The prices of foodstuffs in N.Z. have not varied appreciably owing to any Arbitration Court increase of wages, and consequently their increased prices are not due to any transfer of increased wages to consumers.

I repeat, therefore, my statement at Wanganui, that even if no increase in wages had taken place in New Zealand during the last 14 years, the workers' cost of living would still have greatly increased, owing to the high prices for our foodstuffs in foreign markets, and the great increase in the unimproved value of land and the cost of building material. I maintain; therefore, that the Arbitration Court has not, by an alleged increasing of the cost of living, destroyed the benefit of the all round increase in its rates of wages.

**The Act Criticised.**

I have now dealt with the main lines of criticism of my Wanganui speech, and I proceed to offer a few words of criticism of the Act, with a view to suggesting and justifying certain proposed amendments. First, I tried to show, in my former address, that the Act originally aimed at two purposes:

- The fixing of a minimum living wage.—an anti-sweating wage.
- Strike prevention.

**A Levelling Down Tendency.**

It was not the intention of the man who framed, or of the Parliament which passed the Act, that it should be a standard wage regulator. It was anticipated that although a minimum wage was fixed by an award, the old contractual basis of service would continue, and that the Court would be rarely invoked, and then only to settle some outstanding point of difference which stood in the way of the parties coming to an agreement. I showed that from the use made of the Act. and for the reasons I gave, the Court has steadily become a State regulator of fair wages in each industry, and although a wage fixed by the Court is merely the least an employer is allowed to pay, it is in general practice, the highest the employer will pay. The result of this has been a marked tendency to a uniform or dead level wage in each trade, for all workers, good, bad and indifferent. I need not dwell upon the evils of such a tendency. It has tended to deprive superior care, skill, and industry of the reward and encouragement essential to their exercise, and the dead level of the wage tends to impress itself upon the energy
of the worker. This is the evil the Prime Minister referred to in his speech at Onehunga when he declared that what the Act wanted was some provision, some machinery, by means of which, while preserving to the workers all the present benefits of the measure, a proper reward should be provided as an incentive to superior care skill and industry. I shall return to a discussion of this suggestion later.

**Conciliation Boards Have Failed.**

The second point of criticism I offer relates to the Conciliation Boards. It would be idle to deny that, for reasons it is unnecessary to discuss just now, they have entirely failed to achieve the results Mr Reeves anticipated. He thought that through the agency of the Boards 90 per cent. of our industrial disputes would be settled—the assumption being that the intervention of impartial conciliation would enable the two parties to come to terms upon the points finally in dispute between them. When the parties gave up trying to settle these disputes—gave up indeed, having any genuine disputes—but worked the Art for the sole purpose of wage and labour regulation, Conciliation really had no place, and the Boards as they now stand have become a kind of fifth wheel in the coach, of which they were intended to be the most important part—an agent wrested from its true purpose of conciliation into one of expense, friction and delay. Thus, in the Bill of last year, they were to be abolished, and a new system of Industrial Councils established.

**Effective Fines Not Imprisonment.**

The third point of criticism is that as it at present stands the Act makes no satisfactory provision for the enforcement of fines. It is true that the Court of Appeal has decided that by a process of attachment strikers may be imprisoned for non-payment of fines imposed on them, but this remedy is not provided by the Act, and springs from an old principle of our law. Even this method of enforcing imprisonment is exceedingly clumsy and circuitous, but for reasons already given I am opposed to imprisonment for taking part in a strike. In the absence of imprisonment and as the Act stands, it contains no effective method of enforcing tines, as experience has already shown, and some amendment in the direction of an effective method is required.

**Vexatious Victimisation.**

Again the provision in the Act with regard to what is called victimising, although so far itc has not permitted any miscarriage of justice, seems to me to require some amendment. This the Prime Minister has already foreshadowed. The provision, section 100 of the Act of 1905 runs:—"Every employer who dismisses from his employment any worker by reason merely of the fact that the worker is a member of an industrial union, or who is conclusively proved to have dismissed such worker merely because he is entitled to the benefit of an award, order or agreement, shall be deemed to have committed a breach of the award, order or agreement, and shall be liable accordingly" It will be observed that the word "merely" strictly limits the application of the section to cases where the whole and sole reason for dismissal was that stated. Hence in cases where the employer's dominant motive for dismissal was the worker's proper use of the Act or an Award, the employer would incur no penalty if showed that in addition to his dominan motive he had some minor reasons. This should not be permitted. The Court should be empowered to decide what the dominant motive was, and fine accordingly.

**Expeditious Hearings Essential.**

Lastly, the Act has in practice, and owing to no fault of the Court, been unable to secure that expedition of its operation which, in heated differences between employers and employees, is so desirable. Expedition is here only secondary in importance to the competence and impartiality of the tribunal, and to any amendment of the Act this fact must be applied as a cardinal test. Time presses me, and I cannot delay to discuss and criticise minor failings, for I desire to make the most important part of this address the third and last part.

**Can Wages be Increased?**

Before I proceed to outline amendments let me remind you by a few facts and figures of the limits which
circumscribe the sphere "within which Industrial Arbitration, however perfect, can benefit the workers by increased wages.

No Arbitration Act can create a Fortunatus' purse out of which the rewards of labour can be indefinitely increased. No Arbitration Act can increase the Stock of wealth out of which increased wages may be paid. If then it can be shown that our present national industrial income is such as makes impossible any marked improvement in the remuneration of the wago-earners, we must first seek some means of increasing our production before we set ourselves to increase our distribution of wealth. This increased production can be effected only by an increased efficiency on the part both of the entrepreneur and the employee. To this topic i will return again. Meanwhile let me give you a few figures to show the means available in New Zealand to improve the workers' lot, and the limits of this improvement. Here is a return prepared by the Registrar-General, which is of great interest, and on? to which I shall refer frequently in this part of my address:—

**Estimated Wage-Earnings of the People.**

**Numbers of persons given as shown by results of Census taken in April. 1906.**

E. J. VON DADELSZEN
Registrar General.

Registrar-General's Office,
Wellington.

From this return it will be [unclear: seen] there are 280,272 wage-earner of all kinds in this country, and this return shows their average wages—wazes which in the majority of cases [unclear: might] stand an increment. Suppose [unclear: them] benevolent Court decreed that all [unclear: wage] earners should have a [unclear: shalling] more—not a very magnificent [unclear: increase] it would require an annual sum of [unclear: no] less than £4,528,213, and if the [unclear: court] was in a still more kindly humour [unclear: and] gave the wage-earners 2s a day [unclear: more,] it would require only £9,053,486 per annum.

**Some Surprising Figures**

But it may be said that these [unclear: are] idle calculations, since the great body of the wage-earners are [unclear: receiving] wage which justifies no increase Unfortunately, no. Would it were so! peruse and consider the return I have read and the average wages it discloses But if you do not like averages let me give you this surprising information. In this country all wage-earners whose income exceeds, £300 a year have to furnish returns of their income to the Commissioner, and pay tax on the excess. I will produce an authoritative return shortly on this subject, but meanwhile let me tell you that or the 220,272 wage-earners in New Zealand high or low, including the highest managers and officials outis the Civil Service, only 1835 receive in salary over £300 a week, week. week.

In private employ, then, out of the hundreds of thousands engaged 1&35 wage-earners only get more than the sum of £300 a year. I do not overlook the fact that some deductions are allowed in the income assessment for life insurance premiums, but these inappreciably affect my figures. I have had other turns prepared showing what wage the vast majority of our workers receive not on an average, but individually; and without swamping my [unclear: address] now with figures I am in a position to [unclear: say] that it is lower I am sure, than [unclear: reasonable] and sympathetic [unclear: would] like to see but well-wishing are of [unclear: lieuio] [unclear: by] stern facts which show [unclear: increase] the wage-earners income [unclear: Is] a day involves a payment of over ¼2 million sterling every year.

**A Pernicious Fallacy.**

This illustrates the apt-to-be forgotten to confer any widespread benefit upon the workers requires a
substantial increase of our national income. Last year we raised the wages of the police force and prison warders by [unclear: d] a day and this cost this young country £8170 per annum. I wish to impress these facts upon those who hazily fancy that somewhere is stored abundant wealth which, upon a just and proper distribution, is sufficient to place everyday in affluence. This is a per [unclear: cious] fallacy.

The Employers' Side.

But perhaps it is supposed the [unclear: pronus] made by the employers of our industrial classes are such as should yield substantial increases in wages. Let Us see. Here is the return I promised, prepared for me by the Commissioner of Taxes:

Wellington,

June 11th, 1908.


In reply to inquiry I append the information desired:—

[n]oticed that in the great [unclear: cases] of business men, [unclear: the] net income assessed taxation is necessarily greater than would be shown by the taxpayers balance-sheets. This is the result of numerous items debited to Profit and Loss not being deductible for income tax purposes, and consequently added by the Department, in assessing, to the balance shown by taxpayers accounts.

I attach a schedule summarising the figures given in this memorandum in a form which may lie more convenient for reference:—

P. Heyes,
Commissioner of Taxes.

Very Few Making Money

Now, let it be remembered that every person or firm, who or which in any trade, calling or business (except farming land), makes more profit per annum than £300, has to pay income taxes on the excess, and that every company has to pay on all its profits without deduction, and we find that of all the shopkeepers, traders, manufacturers, factory owners, or other business men or firms, only 4827 in New Zealand (and absentees) make over £300 a year. Those who make £300 a year or less, are in the vast majority of cases getting no more than reasonable, or less than reasonable, wages of management, and hence these can scarcely be said to be getting more than a modest wage. One hundred and seventy-four non-resident traders were also assessed.

We also find that only 884 companies out of 1583 made any profit at all. I am excluding land companies.

Not All Profit Anyhow.

Now, the profits earned by this fortunate 5885, in excess of the exemption where allowed is £7,775,579 per annum. But let no one fancy that these profits are, from a national point of view, a final balance of profits over all losses in industrial enterprises. If we are considering how the whole general body of workers can be better paid out of profits, we must investigate the profits of all the industrial enterprise in which the general body of wage-earners are employed. But the £7,775,579 of profits I live referred to is not a national net balance. In every year in this country, as in every other country, some industrial enterprises employing labour are producing no profits at all but are carried on at a loss. I do not say they are carried on year in and year out at a loss but in any given year the totals of that occasional loss which every great or considerable industrial or commercial enterprise has to undergo must be very great. Only bankers and business men or better still, the Commissioner of Taxes could even form a rough approximation of what this loss on the year's balance-sheets amounts to, taking every business concern of every kind (except fanning) all over New Zealand. I am unable to
name any definite sum, but the Commissioner of Taxes, on the fullest consideration thinks it amounts to a total which is equivalent to 25 percent of the £7,775,579 assessed as profits by the Income Tax Commissioner, that is, to nearly £2,000,000 a year.

But before we can estimate the not amount of profits made in all businesses and available as a fund to increase wages, we must deduct these great annual losses—and so reduced we would probably find that the whole sum if seized as available for distribution among the workers employed in business in increased wages, would not yield a rise of very much per day.

But there is still another important consideration regarding these profits, and it is this: If a man begins business, and puts £10,000 into it, which is lying invested at interest on gilt-edged securities and yielding him, without any care or effort at an, £400 a year, he expects, and rightly expects, to get out of his business with all its risks, fluctuations and anxieties, sufficient income to provide interest proper on his invested capital and a reasonable amount of profit in addition.

Put another way. If the workers were investigating me amount of profits made by all employers with a view to taking a new share of these profits for increasing wages, they would recognise that before the net amount of profits was determined, interest at the current rate should first be deducted for the capital invested, and used in the business by the employer. Now with this made clear, let us turn again to the £7,775,579 of profits above referred to.

In arriving at this sum no deductions are allowed by the Income Tax assessment for the capital of the trader, firm, or company employed in the business, unless it be invested in the business land and buildings, and then a deduction for the rent is allowed, and if it is lent out on mortgage the interest is not assessed as profits. It is true a deduction is allowed for interest on borrowed capital so employed in the business, but not for the capital of the trader or company, himself or itself. Now, what capital upon which no interest is deducted for income tax purposes is invested to produce this £7,775,579? I have not the definite amount, but such figures as I have will help you. I cannot give the capital so invested by private persons and firms who represent nearly four-\[unclear: fifths\] of all the businesses upon whose profits income tax is paid. I have, however, some figures with regard to companies. The following is a return showing the paid-up capital in each district. [I was unable to get the Auckland figures as to the paid up in time to this address, and so had to rely upon an average. [I was, moreover, unable to get the Westland return.]

Return of Public Companies.

Of All Private Companies

I have been unable to get the paid-up capital of private companies. 'It is, no doubt, very much nearer the nominal capital. But even if the proportions were the same paid-up capital would amount to £2,327,083. That is, a total capital invested of £24,476,593 by companies to earn profits in New Zealand. And since any company that makes any profit is assessed on it the profits stated in the foregoing return are all the profits made by any of these companies in N.Z. But such companies as are assessed, are assessed on only £3,594,900 profits, while firms and persons are assessed on £4,052,553 profits, about 14 per cent, more, so that there is no doubt that to earn this £4,052,553, the capital invested by the firms and persons, must be enormous.

Large Investments and Small Actual Profits.

From all these figures and others in the Commissioner's possession, he is of opinion that at least £40,000,000 sterling is invested to produce the £7,775,579 in respect of which invested capital no deductions are made in income tax returns. This sum at 5 per cent, is £2,000,000 a year. Hence a reduction for losses I have mentioned, and for interest on this invested capital, would reduce these assessed profits to some £3,700,000, which would give all persons, firms, and companies, great and small, an average annual profit over the exemption where allowed of about £630.

Now, I have gone into these figures to give the workers some idea—it may be only a very rough idea—of what amount of profits fairly and properly so called could under any circumstances, be made available for distribution as increased wages.

We have seen that income tax is assessed on £7,775,579. I have pointed out that for such a purpose as that last mentioned there must first be deducted the periodic annual losses in those business establishments.
employing labour. This would reduce the above sum greatly. But there must be the further deduction I have mentioned for interest.

Hence if you take the profits of every trading, manufacturing and commercial business carried on by a firm or person in New Zealand which is making over £300 a year, and all the profits of all the companies assessed, and deduct from the whole excess the great periodic annual losses of those establishments which lose in any given year, and further deduct that portion of this excess which is really interest on capital and not profits at all, you will find that the final balance of profits so produced would, if distributed as increased wages among all those wage earners employed in every capacity by the persons, firms, or companies carding on business in New Zealand (except of course, farming) leave these wage-earners but a very small increase, indeed, in their wages. Let it be also noted that the year's profits I have 'taken is a record—the largest that N.Z. mas yet seen. The average would leave the average employee still worse off. But all this is a calculation upon a purely hypothetical basis. Any attempt to lay violent hands upon these profits for such a purpose would, of course, put an end to all business enterprise, and thus destroy the very source from which the profits are drawn.

**Employers Not Parasites.**

Now it must be realised that "business ability is itself an agent of production, and that the competent employer is himself a creator of wealth and not a mere parasite, as workers are often told, upon the productions of labour. The ability of the employer is a vital concern of the workers, for the workers have direct sources of loss in a bungling entrepreneur. Anyone genuinely desiring information on this topic may be referred to "Walker's Political Economy," or to "Mallock's Labour and the Popular Welfare." Or if one desires the latest word to the last-mentioned writers, "Lectures on Socialism," delivered in America last year.

Admitting as any impartial man must (that business ability is itself a producer, it still remains to decide whether on the figures I have given business ability in general seems to be overpaid in N.Z. It is not necessary for me to offer an opinion.

**More Wealth Needed.**

I have not adduced these figures to show that the general level of the wages of labour cannot be raised. I think it can, but I wanted to clear the ground for a discussion of the means by which this end can be effected, and to demonstrate that unless more wealth is produced both by increased effort and cooperation on the part of both employers and employed, there is not much prospect of any marked rise in the general level of the workers' wages. Is there room for this increased effort and cooperation? Assuredly there is. Walker shows in the text book I have referred to what business ability can do both in saving waste and promotion of production and incidentally he establishes the fact that some of the worst enemies of the workers are the incapable and blundering employers. The average business ability of this country is high—the average industrial efficiency of the workers is high, as may be well inferred if only from the intelligence and physical stamina of our people.

But do the human agencies of production produce in service or commodities the fair and reasonable maximum of their capacities? I am certain they do not, and the one great desideratum now in N.Z. is some inducement, satisfactory to both the great agents—employer and workers—to establish and maintain that genuine co-operation which will produce the best results. I believe that desideratum can be at least largely supplied by an improved Arbitration Act.

Now, before I proceed to show this, let me ask you to recognise that our Arbitration Act has served, and must now serve, two purposes which are distinct. First it now discharges the function of a standard wage regulator. A kind of State Wages Board to which—and not to their employers—the workers in practice appeal to fix a fair wage. This appeal is not made to prevent a strike for there is rarely a genuine dispute, and the function of the tribunal has become that of saying what the State (as represented by the Court, or at any rate the president) thinks the standard wage should be.

The second function which the Act is asked to discharge is strike prevention by pains and penalties. I propose to consider the functions separately.

**Sailing by a Distant Star.**

1. What direction or guide does our present Act contain as to what should be the standard wage in the different callings? Absolutely none. Nowhere in the original Act or in any of its amendments is there any hint
or reference as to what that wage should be. The Court itself has not as far as I know ever propounded any basis. One can see from looking along its career that it has sought to effect the readjustment which is essential to bring the methods and the shares of modern production into closer and closer union with true social welfare. But this is sailing by a distant star often lost in haze. One general result of its award rates of wages fixed as a minimum has been to make that wage the standard—at once the minimum and the maximum—with such discouraging effects upon the workers as I have already fully indicated.

Now the Court must not and does not proceed by haphazard methods. What basis then for fixing wages has it mainly employed? Plainly not a competitive standard, for that would fix itself without the intervention of the Court by the market rate; and, moreover, the competitive standard was one which the Court was especially established to check. Equally plainly it cannot be a profit-sharing standard. This the Court has indeed expressly stated and declined, as it had to decline, to enter upon an inquiry as to the profits of all the employers as a basis of wages.

Profit-Sharing Impracticable.

Profit-sharing, indeed, as a method of industrial remuneration has been found illusory and unsatisfactory. I cannot now enter upon its history, but even under a voluntary system, where employer and workers have mutually agreed to a basis, it has broken down in countless cases after fair trial. A system under which—

- The workers have no voice or control in the management;
- In which a worker may work much harder and produce more, and yet, owing to the management in which he has no share, the business makes a loss and all the worker's extra efforts go unrewarded;
- In which the industrial worker, however much or little he works, shares the profits but does not share the losses;
- In which the idler workers share profits along with the most industrious and skilful;
- In which there is no natural basis of division;
- In which, if the whole increase of the profits is due to the increase and excellence of the workers' efforts, the employer still takes his share, and vice versa, where it is the employer's business ability alone which makes the profit, the workers take their share—

A system under which these defects arise is doomed to failure.

These are but a few of the objections even where the profit-sharing system is based upon voluntary arrangement, but ask yourselves how enormously increased the difficulties and objections would be if a profit-sharing system was forced on employers by an Arbitration Court—forced on 200 or 300 employers all making different rates of profit in the same trade.

How could it be done?

It is impossible.

The essence of such success as it has had has been cordial co-operation between employers and employees, and yet except where the circumstances were special and both sides [unclear: heartily] has been a failure. There are millions of business establishments in Great Britain and America, but how few have tried the system? To use the words of an article on this subject in the Encyclopedia of Social Reform—"Profit-sharing has been before the world fifty years. Largely tried, it has to-day only 108 firms in all the United States and Great Britain. Society demands a (better remedy) than that which has accomplished so little in fifty years, and that of doubtful good."

And Schloss—a most sympathetic investigator—declares that "the radical defector radical feet of a method of industrial remuneration under which the rewarded, servant's labour is made contingent upon the good or bad management of the business by his employer, and upon the hazards of commercial fortune, renders it difficult to admit, even with a great degree of reserve, the claim of those novel arrangements to have established a substantial improvement in the ordinary wage system."

Wanted—A Wage Standard.

What other wage standard then, is open to the Arbitration Court? This brings us down to the bed-rock of the matter. Before I suggest the most satisfactory basis, let me impress this upon you. No standard that can be devised is at all a perfect one. It is a choice of the least inadequate, and him who condemns the standard I now outline I would put this question—what better can you propose?"

In my belief, if our compulsory arbitration system is now to continue it must continue to be a wage regulator, and the best standard that can be divised for its guidance is, I think a double, or rather a primary and
"A Needs Standard."

The primary standard should be "the needs of the worker," and when I suggest this standard do not mean what the worker thinks to be his needs or what the employer thinks to be those needs, but the needs which society, through the Arbitration Court taking an enlightened view of the means available, of the worker's position and welfare, and of social interest, deems necessary or proper. This, as Hobson points out is the rationale of the labour movement in its struggle for a "living" or a minimum wage. This claim is the primary step towards the substitution a rational wage system based upon needs for the anarchic struggle of disordered competition, which only feigns to apportion pay according to individual productivity. A wage based on this standard is not a bare subsistence wage, but one which should allow for all those conventional decencies as are essential to a worker's self-respect. This can be fixed quite satisfactorily. (See for proof of this Ryan's valuable books on "A Living Wage."

In fact, so far as Wellington awards are concerned this basis constantly urged upon the Court as the proper standard, it is the one expressly or inferely not stationary, must increase as the comfort rises with wealth and civilisation. Nor is a needs wage necessarily uniform for all trades and callings.

"A Needed Wage" Differs with the Work.

It has been well said that as we raise the character of the work we have to deal with a class of workers whose social efficiency demands continual progress in the development of his mental and moral and, it may be, his physical powers necessity of this development imposes more needs upon the worker and social utility demands that these needs should be supplied with a higher needs wage—or in other words a higher grade worker should have a higher rate of pay than a low grade worker because his needs, reasonably considered, are greater. In New Zealand the difficulty of fixing a needs wage is enhanced by the difference in cost of living in different industrial districts but the settlement of these differences could be left to the Court. A perfectly adjusted living wage should look beyond the worker himself to his burdens and responsibilities, and on this basis married workers with a wife and young family dependent on them should received a needs wage sufficient to maintain in decency himself, his wife and young children—especially since in rearing and bringing up a family such a worker-discharging one of the highest duties of citizenship. It is estimated that there are 96,000 married workers in New Zealand in all grades and classes of employment.

The Danger of Levelling Down.

Now a needs wage is necessarily more or less uniform in the different trades, and this uniformity would produce the same discouragement of superior care, skill and industry as is found under the present conditions. It is idle to assume equality of industrial efficiency in the workers in all the different callings—inequality is nature's rule, and any law which fails to give an incentive or encouragement to the exercise of superior efficiency causes a dead heavy loss to the whole community. It causes, indeed, a double loss-first the loss of that additional wealth that would otherwise have been produced and secondly in time the loss from non-use of the very superior effort. It demands that extra effort should have extra reward, or you will in time produce an industrial stagnation. It is worth some thought and trouble to even partly secure the one and avoid the other. I would ask the censorious to remember this.

Why Not an "Exertion Wage."

Now the needs wage should be supplemented by an "exertion wage." The expediency of recognising
superior skill and greater energy has long been seen by employers in the old world, and has resulted in what is known as progressive wages. The system is as follows:—

• There is a fixed minimum wage.
• This is supplemented by a premium corresponding to industry and efficiency.
• The minimum wage is based upon the hours of employment, irrespective of the work done—in other words, the wage is for a day's work, not for the work of the day.
• Then a specified quantum of work is fixed corresponding to that amount of work done on the average in such day's work, and the worker gets an additional sum proportionate to the excess of the output over this standard as the reward for his extra effort or skill.

This principle in some form or other has been adopted in many cases in the Old World. It appears in at least three distinct forms: (1) The form I have just described; (2) the form in which each worker who exceeds the standard gets a premium fixed irrespective of the ratio of the excess to the standard. (For example, at Rheims wine-bottlers receive 5 francs a day, but if they bottle more, it does not matter how many or how few more, than a certain number (the standard) they get an additional franc a day.) (3) The third form of this system is a prize offered to a small number among the operatives who may within a given time produce the greatest output. This may be termed a prize day wage.

Objections to the System.

Now, I want to anticipate objections which are likely to be raised to this system. The practice of paying a premium or extra wage to one or a few operatives in order to force the pace of all is strongly condemned by trade unions. And from the glaring abuses of the system, rightly condemned. I need not delay to set out the objections to the class of "chasers," "runners," and "bellhorses" employed in different callings at a premium to be pace-makers for all. The oppressive tendency of this peculiar system has justified trade union opposition. But this system has never yet in the world, as far as I know, been tried under a Compulsory Arbitration Act with powers to prevent these abuses, and upon-examination it will be found that its evils are due to the fact that the employer (in the absence of the controlling power of an Arbitration Act over him) has been able to use or rather abuse the system for his own profit.

Gain-Sharing an Alternative.

But surely in the hands of an Arbitration Court seeking sincerely to apply it for the reasonable benefit of the workers, It can be made a most effective means of "gain sharing." It is suggested therefore that in addition to the needs wage to be now fixed as I have indicated, there should a progressive wage based on gain-sharing." This gain-sharing, (it will be observed, is sharing the gain or saving of the cost of production irrespective of the rate of profit realised by the employer, and is to be definitely distinguished from schemes of profit-sharing under which the amount of the bonus r dependent upon the realised profits (if any) of the businesses—an entirely different thing.

This scheme has been tried successfully in several great enterprises—tried, let it be remembered, in the absence of any State guarantee of fairness such as could be secured by the Arbitration Act. It was introduced in 1891 in the workshops of the Rand Drill Company at Sherbrooke, in Canada, by Mr F. A. Halsey. The essential features of Mr Halsey's plan consist in fixing on the basis of previous experience the time required to do a given piece of work, and offering the workman if he could get the job done in less than this standard time a premium for every hour saved in its execution. Mr Halsey took care to fix the standard time on the basis of what an average man and not a quick operative required for the performance of the job.

"No Cuts or Reductions."

Mr Halsey also urges that to cut down the scale after it has once been fixed on the ground that under it the workmen are earning too much is a fatal step. For, as he says, "If the premiums are cut down the workman will rightly understand it to mean (as under the piecework plan) that their earnings are not to be permitted to pass a certain limit, and that too much exertion is unsafe." This, of course, can be safely prevented when you have an Arbitration Court like ours. The settled objection of trade unions to piecework system and progressive wage systems is based upon the painful experience that periodic "cuts," or reductions in the rate or alterations in the standard, were made as the increased exertions of the workers under these systems secured for them better
wages. This ground of objection can in New Zealand be entirely removed, or rather, prevented. Mr Halsey's system increases the exertion wage in proportion to the degree of additional effort required in the different callings to exceed the standard. What has been the result of Halsey's system? Let me state his own words (I am quoting from Schloss [unclear: n] Methods of Industrial Remuneration,' which is the latest information I have—

"Workers, Increase your Wages."

"Speaking broadly," he says, "I should say that the average increase of our put due to the system has been from 25 to 35 cent., and the proportion of oremiums has been such as [unclear: to] the increased earnings of the work man rather less than one-half of the saving of the employing company."

Thus it will be seen that if the worker had got the whole increase their additional exertion instead of dividing it with the company (as under Mr Halsey's system), workers on, says 50s week needs wage, would receive with their exertion wage from 62s-6d [unclear: to] per week—a very substantial supplement.

A further illustration of another form of this exertion wage may be interesting and useful. Since 1891 until now as far as I have been able to learn there has been in force in the engine works of a large firm (Willans and Robinson of Rugby and Thames, Ditton as successful trial of the progressive wage or gain-sharing system. Their practice is as fellows:—(1) In respect of all work done in their works a certain sum termed a "reference rate" is fixed. (2) If the amount earned on the job as ordinary time wages falls below the reference rate, then the balance (i.e. the difference between the actual cost in time wages and the reference rate) is divided between the employers and the works man or the group of workmen employed on the job. That is, the employee receive by way of bonus (in a addition to their time wages) one-half of the amount by which the reference rate price exceeds the sum of these time wages of course the workmen receive their full time or needs wages in any case, even if they should amount to more than the reference rate.

It will be observed that here employers take half the product of the extra exertion of the worker. That is not an essential part of the scheme and the part the employers should take—if they should take any part at all—would in New Zealand be determined by the Arbitration Court.

A full report of all this, with the illustrative details, appears in the English Labour Department reports on gain sharing, and in Schloss's very valuable book, to which I have referral and from which I have largely extracted.

This scheme of Willans and Robinson makes a basic principle of keeping the reference rates—once fixed unchanged recognising, as it does, that any system of exertion wage to be successful must make the workman feel that if by increased exertion or skill carefulness, or by discovering improved methods of work he can reduce the time necessary for the execution of the work confided to him, the rate of his exertion wage will not on that [unclear: account] lowered.

Another point is that the workmen know before they start the work what the reference rate is, and what the rate of exertion wage is to be. Moreover the exertion rate is to apply to each job separately, so that any loss on [unclear: one] not to be taken into account against the workman in relation to future jobs. Lastly, the exertion wage, wherever poss- [unclear: sible to] be paid regularly with the or (as I call it) needs wage.

Incentive to Workmen.

[unclear: general] result of this scheme is [unclear: worker] a special interest in [unclear: and] increase his wages with [unclear: ring] the general excellence [unclear: of]

[unclear: who] object that such a system [unclear: applica ted] book-keeping, it is [unclear: perhaps] sufficient to reply that the firms [unclear: question] did not find this so and that [unclear: any] additional book-keeping it did involve was well worth the trouble as helping accurate cost keeping.

So far I have dealt with a system of individual gain-sharing—that is, of a progressive wage for the industrial worker. But some cases this is impracticable, and a collective progressive wage has been in many cases tried successfully.

For instance, in a manufacturing industry The "preparers" in a woollen yarn factory in some factories work in sets of our. Each of the workers in these groups of four receive a weekly wage. Then the output of each set of [unclear: is] measured, and if it exceeds a specified standard the excess entitles the four workers to have divided among them a prescribed sum as an exertion wage.

Numerous instances could be given of this system. It has been employed with greatest success where machinery run by steam or other power is used by a group of operatives. In these cases it has been found possible for a set of workman by diligence and by "working together in a loyal and intelligent manner without
in any way over-exciting themselves to increase their output and their earnings. But the system has not been
confined to manufacturing industries it has been successful in many other. Many illustrations with details are
given in the works to which I have referred. In this system the exertion wage may be divided either (a) among
all the members in equal shares, or (b) it may be divided in accordance with the importance of the services
rendered by each member of the group. The nature of this division could be determined either by voluntary
agreement between the men or by the Court, if necessary.

"Easily Worked if You Want to."

Even exposed to all the difficulties and dangers incident to a system which is largely at the mercy of the
employers, this system has produced excellent results. For example the scheme of collective gain-sharing
which was, and as far as I know in operation at the Thames Iron [unclear: of] particular interest by
rea-[unclear: of] its peculiar features, and [unclear: circumstances] under which this [unclear: progressive]
wages is applied, [unclear: adopted] is that if the actual the work m time wages comes [unclear: less than] the
standard labour cost, [unclear: the] group-by which the work is done receives by way of bonus not a part, as is
commonly the case, but the whole on the difference between the actual and the standard costs. The
circumstances here under which this system was adopted were said to be as unfavourable to it as could be well
imagined, for the requirement generally found essential to the success of the system is that of "repetition work," but here it was conspicuously absent. There is, indeed, infinite variety in the work done in this yard: the large
size and complex character of a great part of the work done greatly added to the difficulty of fixing a
satisfactory standard of the labour costs upon which the system is based, and yet it seems the system works or
worked very well for both employers and men.

Collective Progressive Wage.

Let me add a few words as to the cases in which the collective progressive wage is used instead of the
individual progressive wage. In certain cases work is done by a number of men each working up to the other. In
these cases it is often practically impossible to ascertain in what proportion each man has contributed to the
joint output. Here the collective rather than the individual gain sharing" is inevitable. I cannot occupy more
time in explaining or exemplifying this gain sharing system in both its forms. Further information can be
obtained in the English Labour Gazette in the Labour Department reports re gain sharing, or in Mr Schloss's
book above referred to.

Abuses Aimed At.

Now, I wish to again remind Trades Unions that the objections which have been raised in Great Britain to
different forms of this system have nearly all been objections to the abuses of the system, and not to the system
itself: abuses which in the absence of any such control or compulsion as that provided by an Arbitration Court
the selfishness of employers was mainly responsible for. If the system has been a pronounced success in so
many cases in the absence of any tribunal to fix fair standards, surely it could achieve far wider success where a
competent Court could not only fix the standards but maintain them, and prevent any abuses of the system.

What Degrades Labour.

Let it be remembered that I am not seeking to introduce into the operations of the Act some unnecessary
experiment. I hold it to be of paramount importance, not only to the workers and employers, but the whole
community, that the workers should have some direct pecuniary interest in the product of their labour. To give
all workers, fast or slow, careful or careless, the same wage, to offer no inducement whatever to the worker to
take a real and lively interest in his work, to reduce wages to the same dead level whatever be the result of the
wage earner's efforts or skill or care, really tends to degrade labour. It tends to rob it of that living and whole
some interest, if not a love of the work, which can prevent the sense of drudgery and add even a pleasure to
effort.

The system suggested cannot injure the workers. Under it they are secured the game minimum or needs
wage as they now receive under the Court's awards, and assuming the standards are reasonably fixed by
agreement between the employers and employees or by the Court, there is no reason why, without any over exertion the great bulk of the workers should not materially increase their wages. The employers could have no reason to complain, for the system only provides that the worker's additional wage is to be paid out of the additional production of their labour.

I believe that in a great many industries and trades this system, either of individual gain sharing or collective gain sharing, could be applied, especially if it received the support and co-operation of the Labour Unions. But seeing the main motive for proposing it is the benefit of the workers, and seeing that the unions may object to have it thrust on them, I should provide that it was to be prescribed by the Court only in such cases as the unions desired, if it offers them an escape from the dead level wage of which they complain and they reject it their rejection may not "damn the piece but it certainly damns the critic."

I claim for the proposal that it is a method of producing more wealth for the direct benefit of the workers, and thus indirectly for the benefit of the whole community.

"Government Not Committed."

Before I leave this part of my address, I want to make this quite clear. The Prime Minister in an important speech he delivered recently at Onehunga dealt with necessary amendments of the Arbitration Act, and strongly expressed the opinion that some system of progressive wage should be adopted by the Court. I know that he has given this topic very anxious thought, but what I have said to-night must not be taken as committing the Government to the schemes I have outlined. I desire it to be understood that I have done no more than explain views and material which are having the closest attention of the Government.

Strike Punishment.

Time presses me, and I must greatly condense my last topic—the compulsory prevention or punishment of strikes. The attitude of the State to strikes has undergone a curio as change, and as it is the social aspect of a strike, and that aspect only, which warrants the interference of the State, the change I have referred to is instructive. Let me trace it:—

1. Originally in England the organisation of workers by means of combinations in restraint of trade (as it was called) was illegal and a penal offence.
2. Even under the Act of 1825 some judges held all strikes were unlawful and punishable as a conspiracy.
3. In England to-day a strike, even if it involves a breach of contract, is not illegal, save in a few cases.
4. When the legality of a strike was clearly established the State first treated it as essentially a matter between employer and workman, calling for no intervention.
5. In 1875, however, England passed a law which in effect provides punishment with fine or imprisonment for any strike in breach of contract where the workers in gas or water works know that by their leaving work they will deprive consumers, wholly or in part of their supply—and this law also extends to those whose leaving work may endanger life—cause probable injury to other persons, or expose property to destruction.
6. This law (although the Act does not expressly name strikes) proceeds on the basis that where a strike, in breach of contract, causes directly the risks, injuries and losses to the public I have mentioned, it is a penal offence, and longer merely a matter between employer and workman. This is the true justification for the State's interference.
7. As regards other strikes, England has made no other provision than the Conciliation Act, 1896, superseding earlier enactments. This merely provided for conciliation when the [unclear: partie] desire it.

Contemporary Legislation.

8. In other parts of the British Empire the State has more actively interfered, and legislation has gone along three separate lines, which are as follow:—

- That of providing no prohibition against strikes or lock-out, but merely providing for the fixing of a minimum wage for the several trades, as in the Victorian Act of 1896. There is no law against strikes or lock-out in Victoria.
- The second line is that of making strikes illegal until the Court of Compulsory Arbitration has heard and decided the dispute. Then there may be either a strike or lock-out. This was out law when the Act of 1905 was passed. It is the law in Canada to-day, unde their Act of 1907, except that if there the workmen agree
in writing to [unclear: o] bound by the award a strike thereafter is illegal, and punishable with fine
[unclear: o] imprisonment.

- The third line is that of directly penalising strikes made before or after an award. This is the law in New South Wales. It is also in effect the Common wealth statute, and that of the Western Australian Statute, and those [unclear: c] other States.

Some Strikes Penal.

None of this legislation confines itself to the English system of distinguishing between strikes that directly cause great damage or privation to the people and those which do not. Yet, no doubt, this is the true principle. There is, for in [unclear: stance], a very strong reason why the [unclear: ght] suppliers, or water suppliers, or milk suppliers, of a great city, who strike, Knowing that their action win endanger the life, health, or safety of the whole community, should be held guilty of a penal offence—but the same Considerations scarcely apply, for instance, to aerated water makers or brewery hands. In the former case of the milk suppliers, few reasonable men would deny that a strike, with a knowledge of its cruel results, should be considered a disgraceful act, and a penal offence, especially with a Court open to the men—while in the latter case of the brewery hands as the strikers would feel that nobody would suffer more than a title inconvenience—the offence of striking has no such gravity.

The view however, is extending that all strikes inflict some loss upon the Community—that they are a breach of that implied understanding between the great interdependent classes that if one class will do its part the other classes will do theirs. Strikes are in this aspect a desertion of duty. They are, moreover, a breach of industrial peace, and just [unclear: as] private assault involves both the individuals concerned and the State, so with strikes—they now partake of both a civil and penal character.

As regards the penalty for striking, I gave full reasons at Wanganui for objecting to imprisonment, except, of course, in such extreme cases as those made penal by the English Act of 1875, and I need not repeat my argument here. It is curious to observe that in the evolution of this compulsory arbitration in the different Australian States and perhaps in New Zealand, the more numerous and defiant the strikes and strikers the more and more stringent has the law been made against them. It is sufficient to take for illustration New South Wales. The result of the irritating defiant and numerous strikes there has been to finally place upon the statute book the most penal and drastic strike prevention law in existence.

An Appeal to Moderation.

Let me close this long address with these few observations. It should be the aim of every country to prevent strikes, [unclear: ot] by severe pains and penalties, but [unclear: v] providing if it be possible such conditions of labour, and such a fair, prompt and competent tribunal as will Secure to the workers all they can ever reasonably hope to attain by a resort to the blind force of a strike. This we are trying to provide, but no such provision [unclear: an] achieve its purpose if it has to encounter invincible prejudice or irrational [unclear: ntagonism.] Its best hope lies in [unclear: nlsting] for a fair trial the moderation, intelligence and enlightened self-interest of the great body of the workers themselves.

And not only the best hope of the Act, but the best of this country as a Whole lies in that same moderation and intelligence.

The majority of our electoral rolls consist of men and women receiving (not on an average, but individually) £150 or less per annum, including [unclear: m] such majority the wives of such male workers. In their hands [unclear: w] destinies of this Dominion lie, and in my judgment our destinies could not be safer. For the sanity, the fairness and the industry of the great body of our workers is not to be judged by the silly demands and violent designs of a noisy few, since one might as well doubt the general sobriety of our whole people because a few are given to in temperance. We must not confound noise with numbers, as we are apt to do owing to widespread publicity the press gives to the vehemence of every little knot of discontents.

A Tribute to the Workers.

We have in New Zealand a democracy of workers, the level of whose intelligence, ability and material comfort is higher than anywhere else in the world. Their intelligence is this country's best security. They will demand progress and they will enforce it, but it will be a progress along safe lines. They can distinguish an
appeal to reason from an appeal to passion, and will always enlist under those who promise prudent guidance to steadily bettering conditions rather than under those self-appointed deliverers who seek their miraculous emancipation from an imaginary bondage.

The Land Question.

Concluding, Dr. Findlay said that the audience would note that he had confined himself to the workers and the employers in industrial pursuits. He recognised that a proper corollary to his address would be to show the bearing of the land question upon the wages question. [unclear: s] this would require separate and even longer treatment, and [unclear: mu] be left for a future occasion.

Vote of Confidence

The Government Competent.

Mr E. Arnold moved the following resolution, which was seconded by Mr E. G. Hicks and adopted with enthusiasm:—

*That the members of the Wellington District Branch of the Liberal and Labour Federation of New Zealand sincerely thank the Hon. Dr J. G. Findlay for his presence amongst them this evening. They also desire to record their appreciation of his able and interesting address upon the industrial problems of the day; and further, to express their conviction that the present Government is [unclear: m] every respect competent to frame and pass all such measures of social reform as are at present realisable in New Zealand. In that conviction they would assure Dr Findlay of their confidence in him and his fellow members of the Ministry.*

L’Arbitrage Obligatoire Nouvelle-Zélande.


La question de l’arbitrage obligatoire continue à être posée, en France comme dans tous les grands pays d’Europe et aux Etats-Unis. En France, les partis politiques constituant, à l’heure actuelle, la majorité parlementaire, ont résolument inscrit dans leur programme l’arbitrage obligatoire. Le parti radical et radical-socialiste, en son Congrès de Lyon, a placé cette réforme au nombre de celles qu’il réclame (séance du 12 octobre 1902; résolution de M. Charles Bos). Un des chefs du parti socialiste parlementaire, M. Millerand, a repris, comme député, le projet déposé par lui, comme ministre, sur le règlement amiable des différends du travail. Enfin, à la suite de la grève des mineurs la Chambre des Députés s’est engagée à étudier les moyens de concilier les conflits entre patrons et ouvriers. Ainsi progresse l’idée qu’il faut tâcher de remplacer, par l’arbitrage obligatoire, le droit illimité de grève et de lock-out, et qu’il y a intérêt à substituer la paix par la loi aux hasards et aux souffrances de la guerre industrielle.
Un seul pays a, depuis plusieurs années, fait l'expérience de l'arbitrage obligatoire : la Nouvelle-Zélande. Ayant, pendant trois mois (d'avril à juin 1900) étudié sur place, d'un bout à l'autre de la Nouvelle-Zélande, le fonctionnement, les effets, les conditions de cette loi nouvelle, je me propose de formuler ici les résultats de cette enquête et de chercher à en tirer, si possible, d'utilles conclusions.

La loi organisant l'arbitrage obligatoire est l'œuvre d'un écrivain néo-zélandais connu, l'honorable W.-P. Reeves, alors ministre du Travail et de l'Education, actuellement agent général de la colonie à Londres. Elle fut présentée au Parlement par le cabinet de l'honorable R.-J. Seddon, actuellement encore premier ministre, en 1892, et, après deux ans de débats, votée définitivement en août 1894. Elle fut appliquée à partir du 1er janvier 1895. Elle avait alors pour titre : «Acte pour encourager la formation d'unions et associations industrielles et pour faciliter le règlement des différends industriels par la conciliation et l'arbitrage.» Ce titre, très significatif, montre que la loi fut créée dans l'intérêt des Syndicats et sous leur inspiration. Le fait essentiel de l'histoire de la Nouvelle-Zélande en ces dix dernières années, c'est l'entrée des Syndicats ouvriers dans la vie politique où ils ont pris tout de suite une influence prépondérante. Avant 1890, les Trade-Unionistes, riches et puissantes, se contentaient de l'action syndicale pour améliorer le sort de la classe ouvrière; ruinées par la grande grève de 1890, organisée par sympathie pour la grève des dockers anglais, elles décidèrent de joindre à l'action syndicale l'action politique. De même que les Syndicats pauvres et faibles, en Angleterre, ont accepté les premiers l'idée de l'action politique, à laquelle se sont longtemps refusés les Syndicats riches et forts, de même les Syndicats néo-zélandais, une fois appauvris, résolurent d'utiliser, pour l'émancipation des travailleurs, le bulletin de vote qu'ils méprisaient quand ils étaient forts et riches. Les Conservateurs furent battus aux élections de 1890, et c'est une coalition libéraux-ouvrière qui arriva alors au pouvoir. La plupart des lois ouvrières que ce ministère fit voter furent préparées sous l'influence des Syndicats ouvriers ; elles sont l'œuvre de gens pratiques, non de théoriciens; elles ne sont pas déduites de principes théoriques, pas plus socialistes qu'anti-socialistes; elles semblent comme sortir des faits.

La loi sur l'arbitrage obligatoire procèda d'une double constatation et d'un double désir. Constatant, à la suite de la grève de 1890, les pertes résultant pour les individus et la collectivité des grèves et des lock-outs, leur influence désastreuse sur la formation de la richesse nationale, le Gouvernement désirait mettre un terme à la guerre industrielle entre patrons et ouvriers. Constatant que les grèves sont ruineuses, qu'elles n'aboutissent pas toujours, pensant qu'on pourrait espérer de meilleurs résultats d'une intervention directe ou in-directe de l'Etat, quand un gouvernement ouvrier est au pouvoir, les Syndicats désirèrent voir l'Etat intervenir dans la vie industrielle en faveur des ouvriers. Ainsi il y eut des raisons d'ordre national et des raisons d'ordre social invoquées en faveur du projet de loi sur l'arbitrage obligatoire : le Gouvernement et les Syndicats ouvriers furent d'accord à tenter cette expérience, toute nouvelle dans l'histoire du monde.

La loi de 1894 organise une juridiction à deux degrés : d'abord des Conseils de Conciliation (Boards of Conciliation) qui se bornent à donner des «recommandations» aux parties en désaccord; au-dessus d'eux, une Cour d'Arbitrage (Court of Arbitration) unique, dont les «arrêts» sont obligatoires et sans appel.

La loi désigne par le mot «différend industriel», tout différend portant sur les salaires, le temps de travail, l'emploi ou le renvoi de certaines catégories de travailleurs, les coutumes de l'industrie, tous les détails de la vie industrielle. Et elle invite patrons ou Syndicats patronaux et Syndicats ouvriers à établir entre eux, pour régler ou prévenir ces différends, des accords spéciaux, sans intervention étrangère. Ces accords, faits pour un temps donné qui ne peut dépasser trois ans, lient pendant ce temps-là tous ceux qui y ont participé; ils ne peuvent être annulés ou modifiés que par la volonté des deux parties; la Cour d'Arbitrage est chargée de les faire respecter. Notons dès maintenant ce caractère important de toute la loi sur l'arbitrage : elle s'applique aux patrons isolés comme aux Syndicats patronaux, mais seulement aux Syndicats ouvriers — c'est-à-dire aux groupes, enregistrés, de plus de sept ouvriers — et non pas aux ouvriers isolés. Le conflit n'est assez grave pour mériter l'attention de l'Etat que quand il s'élève entre ouvriers organisés et patrons; la loi ne peut tenir compte des fantasies de l'ouvrier isolé tant que le Syndicat n'adopte pas ses désirs. Cependant le patron isolé a droit aux avantages de la loi : il importe qu'il ne puisse pas en éviter les conséquences, même s'il préfère ne pas s'associer avec les autres patrons.

Supposons donc qu'un différend industriel s'élève et ne puisse être réglé à l'amiable sans intervention de tiers : si l'une ou l'autre des parties désire que le différend soit concilié ou arbitré, le patron n'a pas le droit de fermer son usine, le Syndicat ouvrier n'a pas le droit de voter la grève; les deux parties doivent en appeler au Conseil de Conciliation de district industriel. La Nouvelle-Zélande est divisée en six districts; dans chacun
d'eux, il y a un Conseil de Conciliation, composé de quatre membres nommés pour trois ans, — dont deux nommés par les Syndicats patronaux, deux par les Syndicats ouvriers,— et d'un président choisi par eux. Généralement le président est pris en dehors du monde industriel : c'est un juge, un avocat, un prêtre, un professeur. Les membres du Conseil reçoivent 1 livre sterling (25 fr. 25) par séance. A jour fixé le Conseil fait paraître devant lui les patrons ou les représentants des patrons, ou les représentants des Syndicats patronaux, et les présidents et secrétaires ou les représentants des Syndicats ouvriers; aucun avocat ne peut apparaître devant le Conseil, à moins que toutes les parties intéressées n'y consentent, ce qui arrive assez rarement. Le Conseil a demandé à l'avance aux uns et aux autres d'exposer par écrit leurs griefs et de formuler leurs désirs. Il interroge contradictoirement les représentants des deux parties, leur fait produire tous papiers, livres, documents, qu'il estime nécessaires; il a tout pouvoir pour convoquer et entendre les témoins utiles; le témoin qui ne se rend pas à son appel est passible d'une amende ne dépassant pas 20 liv. (505 francs) ou d'un emprisonnement ne dépassant pas un mois. Après cette enquête, le Conseil ou bien déclare qu'il est incapable de régler le différend et renvoie la question à la Cour d'Arbitrage, ou bien émet un avis motivé, une «recommandation». Dans ce cas, tantôt les deux parties acceptent la recommandation, non obligatoire, du Conseil, et alors cette recommandation les lie pour le temps fixé par le Conseil; tantôt l'une ou l'autre partie ou toutes les deux refusent de l'accepter; elles doivent alors s'adresser à la Cour d'Arbitrage.

Ce système de conciliation fonctionnait, en 1900, de façon assez inégale dans les divers districts industriels de la Nouvelle-Zélande. Je l'ai vu produire de bons effets à Dunedin, où tous les membres du Conseil apportaient à ces débats une rare compétence et un remarquable esprit d'équité. Mais bien souvent délégués de l'une ou l'autre classe se montrent partiaux et ignorants, les discussions s'éternisent sans aboutir : j'ai vu le débat sur la question des travailleurs du port de Wellington se prolonger seize jours devant le Conseil, au milieu d'incidents violents, sans qu'on pût aboutir à une solution. — Il est évident que souvent les membres du Conseil doivent perdre beaucoup de temps à étudier, dans le détail, certaines industries dont ils ne savent absolument rien : par exemple le Conseil de Wellington, composé d'un clergéman, président, d'un boulanger et d'un peintre, délégués ouvriers, d'un menuisier et d'un marchand de charbon, délégués patrons, apparaît peu capable de trancher vif et bien les questions techniques que soulève un différend industriel dans la corporation des ouvriers du port ou des marins. Il y a là un réal défaut de la loi. J'ai entendu proposer par un haut fonctionnaire du ministère du Travail, un modèle de Conseil de Conciliation assez différent et qui me paraît supérieur : les membres du Conseil de Conciliation appariendraient aux professions où il y a un différend industriel : le président serait un juge nommé par le gouvernement. Le principal obstacle au bon fonctionnement du Conseil de Conciliation c'est l'obstination des parties qui refusent de se soumettre tant qu'il reste un moyen de résister aux sentences rendues. M. Reeves disait, dans un discours au Parlement en 1894, que sans doute les 9/10 des cas seraient conciliés, que 1/10 seulement des cas serait arbitré; en réalité c'est à peine si le tiers des différends industriels est concilié.

La Cour d'Arbitrage a pour fonction, d'abord de décider s'il y a rupture de contrats établis entre patrons et ouvriers soit à l'amiable, soit après décision du Conseil de Conciliation, et de fixer les pénalités; ensuite et surtout de régler définitivement les différends industriels. Les Conseils locaux essayent de concilier; la Cour d'Arbitrage juge en dernier ressort. Les deux éléments de cet ingénieux mécanisme judiciaire se complètent l'un par l'autre : les Conseils de Conciliation seraient d'une ridicule impuissance, s'ils n'avaient derrière eux la Cour d'Arbitrage, qui peut faire leurs arrêts exécutoires en les faisant siens; la Cour risquerait de voiries choses de trop loin et de trop haut sans les Conseils de Conciliation, dont les enquêtes locales servent de base à ses décisions.

La Cour d'Arbitrage, unique pour toute la Nouvelle-Zélande, se compose de trois membres nommés pour trois ans «par le Gouverneur» dit la loi, c'est-à-dire, en fait, par le Ministère : le premier est désigné sur la recommandation de la majorité des Syndicats ouvriers; le second sur la recommandation de la majorité des Associations industrielles patronales; le troisième, le Président de la Cour, est nommé directement, sans recommandation, «par le Gouverneur.» c'est-à-dire par le Ministère; il doit être un Juge de la Cour Suprême. — La clause déterminant le mode de nomination du Président de la Cour est la plus importante de toutes les clauses de la loi : elle donne à l'État néozélandais la possibilité de modeler, suivant les désirs de la majorité des électeurs, tous les détails de la vie industrielle du pays. En cas de conflit entre le délégué ouvrier et le délégué patronal, c'est le Président de la Cour, nommé par le Gouvernement, qui départage les voix; c'est donc de lui, en définitive, c'est-à-dire indirectement du Gouvernement qui le nomme, que dépendent les décisions de la Cour d'Arbitrage, auxquelles ni patrons ni ouvriers ne peuvent refuser de se soumettre.

Les parties qui n'ont pu voir leur différend concilié par le Conseil local, apparaissent devant la Cour d'Arbitrage, personnellement ou par représentants, ou, si tous les intéressés s'y consensus, par avocats; elles peuvent produire devant la Cour tous les témoins, tous les documents, qu'elles jugent propres à montrer le bien fondé de leur cause. De son côté, la Cour a le droit d'ordonner la comparaison des témoins qu'elle veut entendre.
de se faire montrer tous les livres et documents qu'elle considère comme nécessaires, de visiter n'importe quel local industriel, d'y interroger tous ceux qu'elle y rencontre, etc. Elle peut se faire assister de deux experts, à titre d'assesseurs, l'un nommé par les ouvriers, l'autre par les patrons. — Le président de la Cour fixe lui-même la date des séances. 11 reçoit 2 liv. (50 fr. 50) et les autres membres 1 liv. 10 sh. (37 fr. 90) par séance. — C'est le budget de la colonie qui paie toutes les dépenses, sauf les frais de témoins. — Les séances peuvent être publiques ou avoir lieu à huis-clos. Dans le courant du mois qui suit la première réunion de la Cour, elle doit faire connaître son arrêt. Cet arrêt est définitif et sans appel, ne peut être cassé pour vice de forme, doit éviter autant que possible les termes techniques. Il doit spécifier les parties qu'il lie, et le temps, ne dépassant pas deux ans, pendant lequel il est valable. La Cour peut faire payer les frais à l'une ou l'autre partie. Elle détermine ce qui peut constituer une rupture de 1 arrêt, fixe les pénalités maxima payables en ce cas-là par les parties : en général, la pénalité maximum est une amende de 100 liv. (2.525 fr.); le total des pénalités payables en vertu d'un arrêt de la Cour ne peut dépasser 500 liv. (12.625 fr.). Si la propriété de l'Association ne suffit pas à payer l'amende, chacun de ses membres est responsable personnellement pour une somme ne dépassant pas 10 liv. (252 fr. 50). Au cas, d'ailleurs, où une Association industrielle riche et puissante résisterait encore après avoir subi un total d'amendes atteignant 500 liv., la Cour aurait toujours le droit de faire alors un nouvel arrêt et d'en exiger le respect sous peine d'amendes égales, et ainsi de suite jusqu'à l'épuisement des rebelles.

Une fois l'arrêt rendu, les patrons et les Syndicats ouvriers doivent s'y soumettre. Le patron qui ne s'y soumettrait pas devrait fermer son usine et organiser, s'il lui plaît, une autre industrie; le Syndicat ouvrier qui ne s'y soumettrait pas devrait se dissoudre, et ses membres chercher un autre genre de travail. Quand la Cour a rendu un arrêt pour une industrie quelconque d'un district industriel quelconque, il est entendu qu'il n'y aura plus aucun travail industriel de cette sorte accompli dans ce district à d'autres conditions que les conditions imposées par l'arrêt. Il ne pourrait y avoir grève que si un patron et ses ouvriers s'entendaient pour lutter entre eux avec les vieilles armes de la grève et du lock-out; les ouvriers de ce patron, s'ils ne se syndiquaient pas, pourraient rendre inutile, en ce qui les concerne, la loi sur l'arbitrage. Mais il est trop clair qu'il s'agit là d'une supposition toute théorique. En fait le seul genre de grève qu'ait pu connaître la Nouvelle-Zélande, depuis la mise en vigueur de la loi, et qu'elle ait connue une fois, c'est une grève d'employés de l'État : la loi de 1894 n'accordant pas aux salariés de l'État le bénéfice de l'arbitrage.

En général, les arrêts de la Cour d'Arbitrage, comme les recommandations des Conseils de Conciliation, comme les accords conclus à l'amiable entre patrons et Syndicats ouvriers, fixent le temps de travail, les salaires, le prix des heures supplémentaires, les congés obligatoires, la proportion des apprentis et le temps d'apprentissage, les rapports à établir entre unionistes et non-unionistes, enfin divers menus détails variant avec les industries et les localités. Il faut, pour se rendre compte de la portée de la loi, examiner de près le contenu de quelques-uns de ces arrêts. Etudions, par exemple, ceux que la Cour a rendus de juillet 1899 à juillet 1900.

a) La Cour fixe le temps de travail par jour ou par semaine. Généralement elle le fixe à huit heures par jour pour les cinq premiers jours de la semaine, à quatre heures pour le samedi. Dans ce cas, tantôt elle fixe elle-même les heures de travail (peintres de Wellington, de Dunedin, charpentiers et menuisiers d'Auckland, de Christchurch, de Dunedin), tantôt elle se contente de fixer des limites à l'intérieur desquelles les patrons peuvent placer les huit heures de travail (plombiers de Christchurch). Elle impose aux ouvriers du port de Dunedin huit heures de travail par jour sans exception pour le samedi; aux mineurs de Reefton huit heures par jour, aux bouchers de Christchurch huit heures et demie, à condition qu'ils fassent un nombre de pains déterminé. Elle fixe quarante-quatre heures par semaine aux charpentiers de Rangiora, quarante-six heures et demie aux fondeurs de Wellington, quarante-huit heures aux cordonniers de New Plymouth, quarante-huit heures avec repos l'après-midi du samedi aux vendeurs de Dunedin. Pour les ouvriers maritimes de Wellington, ainsi que pour les marins, elle établit un très minuscule emploi du temps. Dans tous les cas, le dimanche est jour de repos obligatoire. Remarquons qu'il est inexact de dire, comme on le fait quelquefois, que la journée légale de huit heures de travail soit établie en Nouvelle-Zélande; il faut dire seulement que les Syndicats forts ont, avant 1894, généralement fait fixer à huit heures le temps de travail de leurs membres, et que la Cour d'Arbitrage essaie, autant que possible, d'introduire cet usage dans toutes les industries néo-zélandaises.

b) Au point de vue des salaires, la Cour, tout en suivant, autant que possible, les usages établis, s'efforce de faire payer toujours au moins 1 sh. (1 fr. 25) l'heure de travail, et de relever les salaires des ouvriers les moins payés. La Cour fixe le salaire minimum par heure, par jour, par semaine ou par mois. Elle accorde 10d. (1 fr.) par heure aux cordonniers de New-Plymouth, 1 sh. (1 fr. 25) aux vendeurs de Dunedin, 1 sh. 1½ d. (1 fr. 40) aux ouvriers du port de Wellington et aux peintres de Wellington, 1 sh. 2 d. (1 fr. 45), aux charpentiers et menuisiers d'Auckland travaillant à l'heure, 1 sh. 3 d. (1 fr. 55), aux ouvriers du port de Wellington et aux peintres de Wellington, 1 sh. 4 d. (1 fr. 65), aux charpentiers et menuisiers de Dunedin. Elle accorde 8 sh. (10 fr.) par jour aux vernisseurs de meubles de Wellington, 9 sh. (11 fr. 25) aux tapisseries et ébénistes de Wellington, 9 sh. à 10 sh. (12 fr. 50) aux plombiers de Christchurch. Elle accorde 2 liv. 8 sh. (60 fr. 50) par semaine aux charpentiers et menuisiers d'Auckland travaillant à la semaine, de 2 liv. (50 fr. 50) à 2 liv. 15 sh. (69 fr. 25) aux ouvriers boulanger de
Christchurch. Elle accorde aux marins de Wellington et aux marins fédérés des districts d'Otago et de Southland des salaires variant suivant leurs occupations de 9 liv. 10 sh. (239 fr. 75) à 1 liv. 10 sh. (37 fr. 75) par mois. — Presque toujours la Cour permet à l'ouvrier qui se reconnaîtrait incompétent ou malhabile de conclure avec le patron un arrangement spécial pour être payé au-dessous du tarif fixé; mais il ne peut le faire qu'après entente avec le président du Syndicat ou sur les indications du président du Conseil de Conciliation. — Quant au travail aux pièces, quelquefois la Cour l'interdit; quelquefois elle tolère que les ouvriers soient payés aux pièces plutôt qu'à la journée, mais seulement après entente entre le patron et les fonctionnaires du Syndicat (charpentiers et menuisiers d'Auckland); quelquefois elle ne le permet que pour certaines spécialités (cordonniers de New-Plymouth); souvent elle régularise le travail aux pièces, fixe elle-même, minutieusement, le tarif (mineurs d'Otago, tailleurs de Dunedin). — Quelquefois elle fixe la date du paiement des salaires, pour éviter qu'ils ne soient payés à intervalles trop irréguliers.

c) Après avoir fixé le temps de travail et les salaires, la Cour détermine le prix à payer pour les heures supplémentaires. C'est généralement une fois et quart le tarif précédemment fixé pour les deux ou quatre premières heures, une fois et demie pour les heures suivantes, une fois et demie ou deux fois pour les dimanches, les jours fériés, certains travaux de nuit.

d) L'arrêt détermine ensuite quels sont les jours fériés : c'est généralement Noël, le premier Jour de l'An, le Vendredi-Saint, le Lundi de Pâques, le jour de naissance du Souverain, le jour de la fête du Travail.

e) L'arrêt de la Cour traite ensuite la question des apprentis, établit leurs salaires, détermine la durée de leur apprentissage (généralement de quatre à cinq ans), enfin fixe la proportion d'apprentis qu'un patron a le droit d'employer par rapport au nombre total de ses ouvriers compétents : c'est tantôt un apprenti pour un ouvrier (plombiers de Christchurch), tantôt un pour deux (boulangers de Christchurch), tantôt un pour trois (fondeurs de Wellington, charpentiers et menuisiers de Wellington, peintres de Dunedin), tantôt un pour trois ou quatre (cordonniers de New-Plymouth), tantôt un pour quatre (peintres de Wellington). La Cour fixe quelquefois aussi la proportion des femmes employées dans certaines branches de l'industrie : par exemple, pour trois ouvriers les patrons-selliers de Dunedin ont droit d'employer tantôt trois, tantôt deux femmes ou apprentis. Quelquefois elle ne limite pas le nombre des apprentis (charpentiers de Christchurch, menuisiers et charpentiers de Dunedin). — En limitant plus ou moins le nombre des apprentis, la Cour veut éloigner les jeunes ouvriers des professions ennuyeuses et les diriger vers celles où l'industrie manque de bras.

f) Enfin les arrêts de la Cour règlent encore la très importante question des rapports à établir entre unionistes et non-unionistes. La Cour pose toujours ce double principe : à travail égal, salaire égal; quand unionistes et non-unionistes travaillent ensemble, ils travailleront en harmonie et il n'y aura entre eux aucune différence. Mais tantôt elle ne demande pas, tantôt elle demande que les unionistes soient employés de préférence. Tantôt elle se contente d'exiger qu'aucun patron, en engageant des ouvriers, ne repousse de parti-pris les membres du Syndicat; «qu'aucun employeur, dans l'engagement ou le renvoi de ses ouvriers, ou dans la conduite de ses affaires, ne fasse rien pour offenser le Syndicat, directement ou indirectement» (charpentiers et menuisiers d'Auckland, ébénistes et tapissiers de Wellington, marins de Wellington, de l'Otago, de Southland, ouvriers du port de Dunedin); tantôt, et le plus souvent, elle décide que le patron sera obligé d'employer de préférence les syndiqués, à supposer qu'il s'en trouve qui demandent de l'ouvrage et soient aussi qualifiés que les non-syndiqués aspirant au même emploi (peintres de Dunedin, fondeurs de Wellington, cordonniers de New-Plymouth, charpentiers de Rangiora, de Christchurch, de Dunedin, mineurs de l'Otago et de Reefton, boulangers de Christchurch, plombiers de Christchurch, selliers de Dunedin). Dans ce cas-là, la Cour exige que le Syndicat soit ouvert, sans élection, à tout ouvrier compétent, honorablement connu, «de bon caractère et d'habitudes sobres»; que le droit d'entrée dans le Syndicat ne dépasse pas 5 sh. (6 fr. 25) ni les cotisations 6 d. (60 centimes) par semaine; que le Syndicat tienne un «livre d'emploi» contenant les noms des syndiqués sans travail et ouvert à tous sans frais. — On peut dire que la Cour insère toujours dans un arrêt la clause de préférence des unionistes sauf quand l'Union ne comprend qu'une trop faible minorité des salariés de la profession. — Inversement, dans le cas de marins de Wellington, de marins fédérés des districts d'Otago, tailleurs de Dunedin, dans ces rares cas, la Cour, à la demande des patrons, décide que les syndiqués sans emploi doivent, toutes circonstances égales, donner préférence de service aux membres de l'Association industrielle patronale, quand celle-ci a fait connaître au Syndicat ouvrier que ses membres ont besoin de travailleurs (boulangers de Christchurch, charpentiers de Christchurch). — Cette clause de préférence des unionistes est très vivement discutée en Nouvelle-Zélande; et il y a eu souvent contre elle de vêhémentes protestations. Par exemple, en avril 1900, deux patrons plombiers de Christchurch demandèrent à la Cour d'Appel de déclarer que la Cour d'Arbitrage avait outrepassé ses droits en les obligeant à préférer les unionistes : bien que les décisions de la Cour d'Arbitrage soient sans appel, ils pouvaient user de l'ancien droit en vertu duquel tout Anglais qui se croit lésé par l'arrêt d'une cour inférieure dépassant ses pouvoirs, peut en appeler «comme d'abus» devant une Cour supérieure. La Cour d'Appel a rejeté leur demande, en remarquant que la loi est formelle, que les ouvriers non associés n'ont aucun droit à ses avantages. Ceux qui approuvent la clause de la préférence déclarent que l'Etat doit favoriser les Unions parce que les Unions sont utiles à l'Etat:
elles seules permettent l'application de lois sociales comme la loi sur l'arbitrage, favorables au développement industriel du pays et utiles à tous les travailleurs.

g) Souvent enfin la Cour d'Arbitrage ajoute à son arrêt des décisions réglant certains points de détail : par exemple, dans certains cas, elle impose un salaire supérieur pour le travail fait dans les faubourgs ou à la campagne; ou bien elle fait payer par le patron le temps nécessaire à l'ouvrier pour se rendre à son travail; elle met à la charge du patron les moyens de locomotion de ses ouvriers; elle règle la question de l'habitation des ouvriers chez le patron, de la nourriture fournie par lui; elle fixe les heures des repas; elle oblige le patron à fournir certains outils, à les faire réparer, à faire élever un abri pour les outils de ses ouvriers, à laisser à ceux-ci une ou deux heures par semaine pour les mettre en ordre; elle interdit au patron de réduire les salaires sous prétexte qu'il assure ses ouvriers; elle lui interdit de s'opposer à ce que les fonctionnaires de l'Union viennent s'entretienir avec ses ouvriers, leur faire payer leurs cotisations, en dehors des heures de travail, etc., etc.

Tous les détails de la vie industrielle, les plus insignifiants comme les plus importants, sont réglés par ces arrêts de la Cour d'Arbitrage. Comme le président de la Cour, qui est en somme l'arbitre dépar-teur entre le délégué ouvrier et le délégué patronal, est nommé pour trois ans par le Gouvernement, on peut dire que le Gouvernement peut indirectement modeler peu à peu toute la vie industrielle de la nation, selon la volonté de la majorité des électeurs. Il faut replacer au centre de la législation ouvrière et commerciale de la Nouvelle-Zélande cette loi sur l'arbitrage obligatoire pour en comprendre la portée. Par tout un ensemble de lois, le gouvernement peut agir indirectement sur les profits des industriels comme sur les salaires des ouvriers. Si les patrons décidaient de faire payer par l'ensemble des consommateurs ce que l'État leur réclame pour leurs ouvriers, s'ils s'entendaient pour parraugmente par trop les prix de vente de leurs produits, l'État néo-zélandais n'aurait aucun scrupule, soit à provoquer la concurrence étrangère par un abaissement des droits de douane, soit plutôt à organiser contre les industries particulières des industries d'État, comme il a organisé une société d'État d'assurances sur la vie contre les sociétés d'assurances particulières, défavorables aux petites bourses. On conçoit qu'un gouvernement ayant en mains la loi sur l'arbitrage obligatoire puisse un jour faire un usage socialiste de cette loi sociale; par elle le profit des industriels pourrait être assez réduit pour n'être plus que le salaire, légitime même au point de vue socialiste, du travailleur qui travaille à organiser l'industrie.

Dans ces conditions l'expérience de la Nouvelle-Zélande est d'une importance unique, sans rapport avec les tentatives timides faites ailleurs pour faciliter la solution des différends industriels. En France, par exemple, la loi du 27 décembre 1892 n'organise qu'une conciliation et un arbitrage facultatifs; non seulement les décisions rendues ne sont pas obligatoires, mais les deux parties ne sont même pas obligées de se réunir en comité de conciliation ni de se rendre devant des arbitres; et les sentences arbitrales, même acceptées, sont bien souvent violées peu de temps après; aussi la loi a-t-elle été impuissante à diminuer le nombre des grèves : nous en avons l'aveu officiel dans l'exposé des motifs du projet du ministre du Commerce, M. Mesureur, sur la conciliation obligatoire (Chambre des députés, 23 janvier 1896), dans le rapport fait sur ce projet au nom de la Commission du travail de la Chambre des députés (23 mai 1896), enfin dans l'exposé des motifs du projet de loi présente par M. Millerand, ministre de Commerce, sur l'arbitrage obligatoire. Le seul pays au monde qui ait essayé de suivre l'exemple de la Nouvelle-Zélande, c'est l'Etat de Nouvelle-Galles du Sud, en Australie. J'ai assisté à Sydney, en juillet 1900, aux efforts faits par le Gouvernement pour introduire dans la législation l'arbitrage obligatoire, à la demande des Syndicats ouvriers. En présentant la loi, l'Attorney-General, M. Wise, prononça devant le Parlement un grand discours, où il formula les principes philosophiques communs à la loi sydnéite et à la loi néo-zélandaise : les ouvriers, dit-il, ne sont réellement libres de contracter avec les patrons que quand ils sont organisés; entre le patron qui, ayant des avances, n'est pas obligé de faire travailler, et l'ouvrier isolé qui, n'ayant pas d'avances, est, pour vivre, obligé de travailler, il n'y a pas cette égalité qui rendrait juste et vraiment libre le contrat de travail; or l'Union représente pour l'ouvrier ce que représente le capital pour le patron : elle lui permet d'attendre, de refuser ou de différer la vertu de son travail; donc l'Unionisme est la condition de la liberté du contrat de travail. La loi sydnéite a le même objet que la loi néo-zélandaise : le développement des Syndicats. L'expérience de la Nouvelle-Galles du Sud, quand elle se sera prolongée pendant plusieurs années, sera très intéressante, car elle montrera les effets de l'arbitrage obligatoire en une société, où l'existence d'un grand nombre de prolétaires sans travail a abaissé le salaire des ouvriers dans plusieurs professions. Mais actuellement nous ne disposons, pour juger par ses résultats l'arbitrage obligatoire, que de l'expérience de la Nouvelle-Zélande.
Les patrons se sont soumis à la loi. Le nombre des condamnations prononcées contre eux a toujours été minime. Aucun grand industriel n’a essayé de violer la loi. De ce fait il ne faudrait pas conclure que les patrons soient tous satisfaits. Plusieurs protestent avec véhémence, regrettant les jours passés de l’absolutisme patronal, désolés de ne plus pouvoir ignorer le Syndicat. Beaucoup avouent leur préférence pour l’ancien état de choses. Ils ne se révoltent pas, ils boudent. Dans certains districts industriels ils ne nomment pas les délégués auxquels ils ont droit, laissant l’État désigner à leur place les membres-patrons du Conseil de Conciliation. J’ai entendu certains patrons préférer, pour la raison suivante, l’ancien système de la grève et du lock out : autrefois, disent-ils, les ouvriers hésitaient à se mettre en grève, parce que la grève coûtait cher et échouait souvent; maintenant l’Union, pour la moindre difficulté, en appelle au Conseil ou à la Cour; elle sait qu’elle n’a rien à perdre, qu’elle risque de beaucoup gagner. — Cependant on entend aussi en Nouvelle-Zélande certains industriels reconnaître que la loi a pour les patrons mêmes au moins deux grands avantages.

D’abord le contrat d’un ou de deux ans, que cette loi institue entre patron et Syndicatouvrier,—qu’il soit établi à l’amiable ou à la suite d’une décision du Conseil ou de la Cour, — don ne au patron une immense sécurité : il lui garantit que les prix et les conditions du travail reste-ront les mêmes pendant le temps fixé, qu’il n’y aurait pendant ce temps la grève ni demande d’augmentation de salaires ou de réduction des heures de travail; le patron peut donc calculer bien plus sûrement ses dépenses et ses bénéfices, accepter ainsi des commandes à longue échéance.

Le second avantage pour le patron, c’est qu’à l’intérieur d’un district industriel, elle délivre les patrons honnêtes, qui paient bien leurs ouvriers sans les faire travailler trop, de la concurrence déloyale des patrons malhonnêtes, qui paient mal leurs ouvriers en les faisant travailler trop. La Cour peut, en effet, décider que son arrêt s’étendra, pour une industrie donnée, à tout le district industriel; que les salaires, le temps de travail, y devront être uniformes. Il devient alors impossible au patron peu scrupuleux de diminuer le salaire de ses ouvriers pour diminuer du même coup les prix de vente de ses produits et écraser ainsi ses concurrents plus humains.

Il est arrivé que certains patrons en Nouvelle-Zélande ont engagé leurs ouvriers à se syndiquer et à les poursuivre eux-mêmes devant la Cour, pour obtenir d’elle un arrêt obligeant leurs concurrents déloyaux à payer à leurs ouvriers de plus hauts salaires. Malheureusement les conditions du travail sont parfois différentes, pour une même industrie, d’un district industriel à l’autre; alors le maintien de la libre concurrence entre industries identiques de centres industriels différents, entraîne, pour les ouvriers, quelques-unes des fâcheuses conséquences, qu’entraîne pour eux en Europe le régime de la libre concurrence de pays à pays et d’individu à individu. Certains différends industriels, qu’il a été presque impossible de concilier ou d’arbitrer, ont révélé une lacune grave de la loi néo-zé-landaise de 1894. Par exemple, quand j’étais à Dunedin, les tailleuses, fortement payées, demandaient un relèvement des salaires ou des prix du travail aux pièces; le Conseil de Conciliation était tout disposé à leur accorder ce qu’elles demandaient; mais les patrons prouvérent que la moindre augmentation du prix du travail les rendrait incapables de lutter, même sur le marché de leur propre ville, avec les patrons d’Auckland, payant à leurs ouvrières de bas salaires en vertu d’un accord conclu de gré à gré avec le Syndicat. Les délégués du Syndicat des tailleuses, comme les membres du Conseil de Conciliation, reconnurent qu’on ne peut contraindre les patrons à soutenir une concurrence qui les ruine; de leur côté, les patrons déclarèrent que les demandes des tailleuses étaient légitimes, s’engagèrent à payer à leurs employées le prix demandé, si les patrons d’Auckland étaient, eux aussi, soumis au même tarif. Mais il n’y avait rien à faire tant que durerait l’accord d’Auckland; le différend de Dunedin devait rester sans solution. En présence de ce fait, le Conseil de Conciliation de Dunedin émit le vœu suivant : «Le Conseil est d’avis que les salaires et les conditions du travail soient uniformes à travers toute la Nouvelle-Zélande à moins qu’il ne puisse être montré que les circonstances locales donnent naissance à des différences nécessaires.» Ce vœu a posé une nouvelle question, très importante, à l’égard de la discipline néo-zélandaise. Les Syndicats ouvriers et certains patrons ont été d’accord pour appuyer la demande du Conseil de Dunedin. La difficulté vient, me disait-on au ministère du Travail, de ce que la vie est inégalement chère dans les différentes villes de la Nouvelle-Zélande; chère à Wellington, moyennement chère à Dunedin et à Christchurch, très bon marché à Auckland; mais on pourrait établir un salaire fixe pour toute la colonie et, par des arrêts spéciaux, le diminuer ou l’augmenter suivant le prix de la vie dans les différentes régions. Dès 1909 on prévoyait que la loi serait amendée dans le sens du vœu émis par le Conseil de Dunedin. Alors le progès réalisé déjà à l’intérieur de chaque district industriel serait accompli pour toute la Nouvelle-Zélande : les conditions de la lutte commerciale cesseraient d’être spécialement désavantageuses aux patrons honnêtes traitant humainement leurs ouvriers; ce serait la suppression, non pas de la concurrence patronale, mais des mauvais effets qu’entraîne la concurrence patronale pour les ouvriers.
La loi sur l'arbitrage obligatoire, admirablement adaptée aux conditions naturelles et sociales de la Nouvelle-Zélande, y réussit parfaitement; de ce fait peut-on conclure qu'une loi analogue aurait en Europe d'aussi bons effets ? Les conséquences d'une loi identique peuvent, doivent être différentes, en des milieux
différents. Tâchons de voir à quel point la situation économique et la situation politique des pays européens différent des conditions où se trouve placée la Nouvelle-Zélande; ce sera le seul moyen de juger si une loi semblable serait, en un pays européen, favorable à la fois à l'accroissement de la richesse de la nation et aux progrès de la classe ouvrière dans la nation.

La première différence, c'est que la Nouvelle-Zélande est un petit pays agricole, tandis que les pays européens sont de grands pays industriels. La Nouvelle-Zélande a à peu près la superficie de l'Italie; mais elle est quarante fois moins peuplée; la plus grande partie de ses habitants s'occupe de travaux agricoles ou pastoraux. Ainsi l'industrie n'est qu'une moindre part de l'activité nationale et il ne s'y agit jamais que d'affaires relativement peu importantes; on peut, à leur propos, légiférer d'un cœur plus léger qu'en nos pays, où la moindre erreur législative peut causer beaucoup de ruines. Le président du Conseil de Conciliation de Dunedin me disait : En Nouvelle-Zélande, si les salaires s'élevaient d'un shilling, les patrons ne perdraient pas tout profit; s'ils baissaient d'un shilling, les ouvriers ne devraient renoncer qu'à quelques superfluïtés; au contraire il paraît impossible d'imaginer les bouleversements qu'entraînerait en Europe un tel changement dans le prix du travail.

Mais c'est surtout à cause de son isolement et de ses richesses naturelles que la Nouvelle-Zélande supporte bien ses hardies expériences sociales. Scheffle a remarqué qu'on ne peut concevoir facilement l'organisation du travail social par l'État que dans une société isolée; justement c'est une sorte de société isolée que la Nouvelle-Zélande. Elle est protégée contre la concurrence de l'Europe, de l'Amérique, — et même de l'Australie, dont quatre à cinq jours de mer la séparent, — d'abord et surtout par son éloignement, ensuite par ses hauts tarifs protecteurs : la moitié des objets importés paient des droits de douane variant de 5 à 40 p. 100 de leur valeur; sur les seuls objets soumis aux droits d'entrée le montant des sommes perçues représente les 36 centièmes de leur valeur. D'autre part, la Nouvelle-Zélande ne manque d'aucune ressource : ses richesses naturelles apparaissent immenses quand on songe au petit nombre de ses habitants. On en garde une impression vive quand on a traversé les magnifiques régions pastorales et agricoles des deux îles, parcouru les régions aurifères de l'Otago, visité les stations pour l'élevage des moutons (sheepstations) et les usines à réfrigération (freezing works). Beaucoup de matières premières coûtent ici moins qu'en Europe. Pour ces deux raisons, les articles industriels néo-zélandais, faits avec des matériaux à bon marché par des ouvriers bien payés, peuvent lutter, du moins sur le marché intérieur, avec les produits des dehors, faits par des ouvriers beaucoup moins payés, mais avec des matériaux plus chers, et devenus coûteux surtout par suite des frais de transport et des droits de douane. Même, pour certaines industries privilégiées, l'abondance des produits naturels est telle que les industriels néo-zélandais peuvent faire jusque sur les marchés d'Europe une heureuse concurrence aux producteurs européens : notamment pour certains produits d'origine animale, comme, par exemple, la viande gelée, je me suis rendu compte de ce fait, en visitant les freezing works de Belfast, près de Christchurch, une très belle usine à réfrigération, qui envoie actuellement trois quarts de million de moutons gelés par an en Europe. En tout cas, les patrons elles capitalistes continuent à faire en Nouvelle-Zélande des bénéfices assez élevés pour avoir intérêt à maintenir et développer leurs industries, même en subissant les conditions que leur imposent la loi sur l'arbitrage en faveur de leurs ouvriers. — Mais supposons la Nouvelle-Zélande placée à côté de grands pays dont l'industrie soit très développée, comme sont nos grands pays d'Europe : elle serait, malgré ses tarifs protecteurs, qu'elle ne pourrait d'ailleurs probablement pas maintenir aussi élevés, écrasée sous les produits de ses concurrents fabriqués par des ouvriers travaillant de longues heures à de bas salaires. En France, en Angleterre, en Allemagne, jamais une Cour d'Arbitrage ne pourrait calculer assez sûrement tous les effets de la concurrence intérieure et surtout de la concurrence étrangère pour pouvoir rendre un arrêt obligatoire qui risquerait de tuer l'industrie nationale, d'obliger les patrons à fermer les portes de leurs usines, de priver ainsi de tout travail les ouvriers du pays. Quand on voit, comme dans le cas si intéressant des tailleuses de Dunedin, quels obstacles le fait de la concurrence entre deux petites villes apporte au fonctionnement de l'arbitrage obligatoire à l'intérieur d'un petit pays, on comprend pourquoi le fait de la concurrence d'un grand nombre de grandes villes et surtout d'autres grands pays industriels empêcherait dans tout État européen le bon fonctionnement de l'arbitrage obligatoire. C'est parce que la Nouvelle-Zélande est petite, peu peuplée, riche en richesses naturelles, c'est surtout parce qu'elle est isolée, qu'elle peut supporter sa législation sociale si avancée sans se laisser écarter par la concurrence étrangère. C'est grâce à des conditions naturelles spécialement néo-zélandaises que la loi sur l'arbitrage obligatoire a pu, en Nouvelle-Zélande, ne pas gêner ou même favoriser le développement de la richesse nationale.

C'est aussi grâce à des conditions politiques et sociales spécialement néo-zélandaises que cette loi a pu, en Nouvelle-Zélande, servir les intérêts de la classe ouvrière. Rappelons-nous le mécanisme de la loi: la conciliation n'a pour rôle que de préparer l'arbitrage; les décisions arbitrales obligatoires procèdent d'une Cour où l'arbitre départiteur est un juge nommé par le gouvernement; le gouvernement est un gouvernement libéral ouvrier. Si le président de la Cour, même quand il est personnellement tory, rend presque toujours des arrêts
favorables à la classe ouvrière, c'est sans doute parce qu'il juge avec impartialité et qu'il considère comme juste d'attribuer aux travailleurs une plus large part des richesses qu'ils produisent; mais c'est aussi parce qu'il sent autour de lui une opinion publique nettement favorable aux revendications ouvrières; c'est aussi, c'est surtout parce qu'il a derrière lui un gouvernement ouvrier, qui le nomme pour trois ans, qui, au bout de trois ans, pourra le maintenir ou le remplacer. La coalition libérale-ouvrière arrivée au pouvoir il y a douze ans, a maintenant dans le pays une situation qu'elle ne perdra pas de longtemps; les élections lui ont été favorables au-delà de toute espérance; il n'y a pas de réaction à craindre en Nouvelle-Zélande: il n'y a donc pas à se demander quel usage pourrait faire de la loi sur l'arbitrage un gouvernement hostile à la classe ouvrière. La puissance de la classe ouvrière dans ce pays tient à des causes sociales et historiques qui agissent presque avec la constance de causes naturelles: notamment à l'état physique et moral de l'ouvrier néo-zélandais, et aussi à la jeunesse même de la nationnéo-zé-landaise. L'ouvrier néo-zélandais, qui travaille un petit nombre d'heures dans des usines parfaitement hygiéniques, qui, avec son haut salaire, peut se donner une vie confortable, reste un homme sain et vigoureux; instruit dans les écoles primaires de l'Etat, qui sont les meilleures écoles du pays, il est aussi cultivé que les autres Néo-zélandais, patrons ou fonctionnaires, rarement d'une haute culture. Physiquement et intellectuellement fort, il multiplie sa puissance en l'associant à la puissance de ses camarades de l'Union. Quand ces ouvriers, forts isolément et forts en groupe, veulent agir syndicalement ou politiquement, ils ne rencontrent l'obstinée résistance d'aucune des forces du passé: ni d'une aristocratie de naissance, ni d'une aristocratie terrienne, ni d'une aristocratie capitaliste puissante, ni d'une armée, ni d'une Eglise maîtresse des consciences. — Que l'on compare maintenant la situation de la classe ouvrière dans chacun de nos pays d'Europe: que l'on se représente les effets du paupérisme, des bas salaires, des longues heures d'un travail éprouvant en des usines malsaines; que l'on se fasse une idée exacte de la faiblesse politique et syndicale de la classe ouvrière; que l'on se rappelle quelle opposition irréductible font les forces de résistance aux forces de mouvement, de quel poids pèse chez nous le passé sur le présent, combien nous payons cher, en souffrances actuelles, l'honneur d'être des pays de longue histoire. En Nouvelle-Zélande, il y a plus de vivants que de morts, en Europe, plus de morts que de vivants: chez nous, le plus souvent, ce sont les morts qui gouvernent les vivants; les périodes de réaction suivent les périodes de réformes; à des gouvernements plus ou moins sympathiques à la classe ouvrière, succèdent des gouvernements nettement hostiles. Aux mains d'un gouvernement hostile, la loi néo-zélandaise sur l'arbitrage obligatoire pourrait devenir le plus oppressif instrument de domination. Qu'on s'imagine les effets des jugements que pourrait prononcer contre les syndicats un juge nommé par un ministère réactionnaire; les décisions rendues par la Cour pour diminuer les salaires ou accroître le temps de travail seraient obligatoires, les ouvriers n'auraient plus aucun moyen légal de résister à la tyrannie; ce serait la suppression du droit de grève sans aucune compensation. Tous les ouvriers conscients préféreront les souffrances, souvent héroïques, de la grève, aux incertaines conséquences de l'arbitrage obligatoire sous des gouvernements non ouvriers.

En pays européens, le fait que les décisions de la Cour d'arbitrage sont obligatoires risquerait ou de ruiner l'industrie de la nation ou de s'opposer aux progrès libérateurs de la classe ouvrière. Pour des raisons d'ordre national et pour des raisons d'ordre social, on ne peut songer à copier la loi néo-zélandaise.

IV

Cependant l'Etat démocratique moderne, — seul intermédiaire concevable, comme le remarque fort bien M. Lloyd, entre patrons, ouvriers et consommateurs, — a le droit et le devoir, en échange de la protection qu'il donne à l'industrie, d'exiger qu'elle rende à la collectivité le plus de services possible: il a donc le droit et le devoir de tenter de rendre moins nombreuses ou moins longues les grèves toujours fâcheuses, causes de souffrances pour les ouvriers, de ruines pour les patrons, d'inconvénients inombrables pour les consommateurs. Dans tous les grands pays d'Europe, les législateurs devraient chercher un intermédiaire entre l'état d'anarchie industrielle dont souffrent ouvriers et patrons, et l'arbitrage strictement obligatoire, qui serait, pour les uns et pour les autres, plein de danger. Il faudrait joindre aux lois réglant le droit de grève et de lock-out une loi organisant un arbitrage relativement obligatoire.

L'arbitrage néo-zélandais est absolument obligatoire; obligatoire dans les deux sens possibles du mot: les parties sont toujours obligées de faire concilier ou arbitrer leurs différends: elles sont toujours obligées, sous peine d'amendes considérables, de se soumettre aux décisions arbitrales; l'obligation apparaît au point de départ et au point d'arrivée. L'arbitrage serait relativement obligatoire si les parties, ayant la faculté de faire ou de ne pas faire arbitrer leurs différends, étaient obligées, lorsqu'elles acceptent l'arbitrage, de se soumettre aux décisions des arbites; il serait encore relativement obligatoire, d'une autre façon, si les parties étaient obligées toujours de faire arbitrer leurs différends, restant libres ensuite d'accepter ou de repousser les décisions des arbites.
Le projet de loi déposé jadis par M. Millerand, en qualité de ministre du Commerce, repris récemment par lui, comme député, laisse aux industriels la faculté de soumettre ou de ne pas soumettre à l'arbitrage les différends qu'ils peuvent avoir avec leurs ouvriers; mais, une fois pris l'engagement d'accepter l'arbitrage, patrons et ouvriers doivent obéir aux décisions rendues. L'exposé des motifs invoque «l'admirable exemple de la Nouvelle-Zélande». Il me semble cependant que l'étude précédemment faite de la loi néo-zélandaise, permettrait d'adresser à ce projet deux sortes de critiques.

D'abord il laisse de côté un grand nombre d'industries, — ne s'appliquant, en somme, qu'aux industries soumises à l'influence de l'Etat. Il est tout à fait vraisemblable qu'en France, comme en Nouvelle-Zélande, les patrons, désirant rester maîtres absolus dans leurs usines, ne consentiront que sous la pression de l'Etat à accepter de recourir toujours à l'arbitrage. Ainsi un très grand nombre de conflits continueront à se produire, où les ouvriers pourront, comme il arrive si souvent, réclamer conciliation et arbitrage, sans que les patrons soient obligés même de discuter avec eux. La non intervention de la loi laisse intacte, en un vaste domaine, l'anarchie industrielle, qu'il s'agirait de limiter.

Insuffisante, à ce point de vue, la loi projetée peut, d'autre part, vraiment paraître tyrannique. Dans les industries soumises à la loi, l'obligation ouvriraient les parties d'accepter toujours les décisions rendues, si ces décisions étaient sanctionnées de peines sérieuses, pourrait avoir les conséquences fâcheuses qu'aurait la pure et simple application à notre pays de la loi néo-zélandaise. Les patrons pourraient toujours craindre de voir une décision arbitrale obligatoire leur imposer d'inacceptables conditions, ruiner leur industrie. Les ouvriers pourraient toujours craindre de voir une décision arbitrale obligatoire arrêter net leur progrès vers une condition meilleure, Les critiques adressées, du point de vue ouvrier, au projet Millerand, sont extrêmement fortes; et c'est à juste titre que beaucoup des Syndicats français se sont émus; c'est à juste titre que les groupements ouvriers des pays où la classe ouvrière a une claire conscience de ses intérêts, L'Angleterre, par exemple, et les Etats-Unis, ont condamné une telle forme d'arbitrage obligatoire. La prétendue organisation de la grève obligatoire représenterait certainement une restriction du droit de grève, sans suffisantes compensations.

Ce double danger, menaçant à la fois l'industrie nationale et le mouvement ouvrier, résulte nécessairement du caractère obligatoire conféré à la sentence arbitrale. Ou plutôt il en résulterait, si des peines sévères s'attachaient, comme en Nouvelle-Zélande, à la violation de la loi. Mais la seule pénalité prévue, la privation des droits électoraux dans les divers scrutins relatifs à la représentation du travail, constitue un châtiment vraiment dérisoire : la crainte d'une peine si minime n'arrêtera aucun de ceux que de gros intérêts pousseront à violer la loi. La violation des décisions théoriquement obligatoires restera, en fait, impunie. La tyrannie de la loi se trouve tempérée par l'impunité des délinquants; mais son efficacité en est annulée. Oppressive en apparence, anodine en fait, la loi s'écroule, faute de sanction.

Le projet Millerand me paraît critiquable à la fois parce qu'il laisse les parties libres de faire ou de ne pas faire arbitrer leurs différends, et parce qu'il impose ensuite, d'ailleurs sans sanction suffisante, l'obligation de se soumettre aux décisions rendues.

L'expérience de la Nouvelle-Zélande, qui me semble condamner le projet Millerand, me paraît au contraire pouvoir recommander un projet d'arbitrage relativement obligatoire d'un autre type. Patrons et ouvriers seraient obligés, dans tous les cas, de faire arbitrer leurs différends par un arbitre impartial, comme en Nouvelle-Zélande; mais ils resteraient libres ensuite d'accepter ou de repousser la sentence arbitrale. Au lieu de placer, comme dans le projet Millerand, la liberté individuelle au point de départ, l'obligation légale au point d'arrivée, un tel projet placerait au point de départ l'obligation légale, au point d'arrivée la liberté individuelle. Voici comment on pourrait concevoir cette forme d'arbitrage relativement obligatoire.

Patrons et ouvriers pourraient d'abord, comme à l'heure actuelle, faire arbitrer leurs différends, dès qu'il y aurait entre eux quelque désaccord. Le désaccord serait constaté à une entrevue que le patron serait légalement tenu d'accorder aux délégués de ses ouvriers : on pourrait avantageusement emprunter au projet Millerand l'idée de ces délégués ouvriers et de ces entrevues obligatoires, en l'étendant d'ailleurs à toutes les grandes industries. Même sans que la grève éclate, l'arbitrage pourrait être réclamé par l'une ou l'autre partie.

En tout cas, dès que la grève éclaterait, patrons et ouvriers seraient légalement obligés de recourir à l'arbitrage. — Il me paraît impossible et injuste de limiter, si peu que ce soit, le droit de grève. Mais l'obligation d'aller en arbitrage n'empêcherait nullement les ouvriers, ni même une partie des ouvriers, de cesser le travail dès qu'ils le jugeraient bon.

Quels seraient les arbitres du différend? L'expérience de la Nouvelle-Zélande me paraît ici tout à fait concluante. Les Conseils de Conciliation n'aboutissent que dans des cas exceptionnels à apaiser les conflits; quand ils réussissent, le succès ne tient qu'à l'autorité personnelle du président, qui peut départager les voix des
délégués des deux parties. Le succès de la Cour d'Arbitrage tient à ce que le président, haut magistrat nommé par l'État et aussi impartial qu'on peut l'être, doit départager les voix des délégués patronaux et des délégués ouvriers. En France, les Tribunaux d'Arbitrage, devant lesquels tous seraient obligés de porter leurs différends industriels, pourraient contenir un nombre égal de délégués patronaux et de délégués ouvriers, empruntés, par exemple, aux représentants de la profession dans le Conseil du Travail; mais ils devraient contenir un arbitre dé-partiteur impartial, qui ne pourrait être qu'un délégué de la collectivité, par exemple un juge nommé par l'État. La création d'un organe judiciaire spécialement compétent en matière d'industrie ete travail, me paraît être la caractéristique essentielle de la loi néo-zélandaise qu'il y aurait, sur ce point, tout avantage à imiter.

Eclairé sur les détails de la profession par les membres du Conseil du Travail, le juge devrait, dans tous les cas, rendre un arrêt motivé. Cet arrêt pourrait-il être obligatoire ? L'étude de la loi néo-zélandaise montre, il me semble, qu'une telle mesure serait gênante à la fois pour le développement de la richesse nationale et pour l'emancipation de la classe ouvrière. D'ailleurs l'arrêt ne pourrait être obligatoire en France, qu'appuyé de sanctions inefficaces, dont le mépris entraînerait à mépriser toute la loi. Il me paraît nécessaire de laisser patrons et ouvriers libres d'accepter ou de repousser l'arrêt rendu. Je dirai, plus tard, pour quelles raisons on peut espérer que l'arrêt rendu sera très souvent accepté par les deux parties.

Si les deux parties acceptent la sentence arbitrale, elles pourront établir entre elles un contrat, sur cette base, pour un temps donné, comme font les partiesen Nouvelle-Zélande; contrat dont la loi assurera le respect. Les violations de ces contrats devraient être, naturellement, déferées au Tribunal d'Arbitrage. C'est lui qui serait chargé de punir les délinquants. Et il pourrait aussi avoir à assurer l'exécution loyale des contrats collectifs passés directement, sans son intervention, entre patrons et ouvriers.

Quelles seraient les sanctions de cette loi ? Elles ne pourraient être que pécuniaires; mais elles devraient être assez redoutables pour obliger au respect de la loi; elles pourraient très bien consister en amendes élevées, comme en Nouvelle-Zélande. Ces amendes puniraient soit le refus d'aller en arbitrage, soit la violation des sentences arbitrales une fois acceptées ou des contrats une fois conclus. Naturellement il serait juste de proportionner la pénalité à la responsabilité. A beaucoup d'esprits il paraîtrait équitable de fixer des amendes plus faibles pour la collectivité ouvrière qui, par définition, n'a pas de capital, que pour le patron qui, par définition, est un capitaliste. A ces amendes on ajouterait les punitions sévères et justes proposées dans le projet Millerand contre toute influence exercée sur les ouvriers, les délégués, les arbitres, par voies de fait, violence, donne ou promesses.

Quels seraient les avantages d'une telle forme d'arbitrage relativement obligatoire ?

D'abord la création d'un organe judiciaire spécialement compétent en matière d'industrie et de travail empêcherait beaucoup de grèves d'éclater, sans gêner la liberté du patron, sans limiter en aucune façon le droit de grève de l'ouvrier. Dans bien des cas, les deux parties, sachant qu'en cas de grève elles seront légalement obligées d'aller en arbitrage, décideront de consulter le Tribunal d'Arbitrage avant que la grève soit déclarée; et patrons et ouvriers seront naturellement portés à accepter la sentence arbitrale, pour éviter la grève, que les uns et les autres redoutent tant.

Puis, — et ce second avantage est encore plus évident — l'institution de cet arbitrage relativement obligatoire amènerait une solution beaucoup plus rapide de la plupart des grèves. Ce qui envenime la plupart des grèves, ce qui les fait durer longtemps, c'est le plus souvent l'obstination des patrons, et, quelquefois, celle des ouvriers; c'est leur entêtement à refuser toute discussion contradictoire; c'est l'amour-propre qu'ils apportent à ne pas paraître céder les premiers. Au contraire, j'ai constaté souvent en Nouvelle-Zélande que, dès que les deux parties sont en présence, une solution jusqu'alors inimaginée apparaît tout d'un coup possible. La loi, obligant les deux parties à faire arbitrer leur différend, mettrait fin naturellement au conflit des deux amours-proprès. C'est un fait, d'ailleurs, que, dans la plupart des cas, les ouvriers demandent la conciliation et l'arbitrage, que refusent les patrons. La loi briserait ce qu'il y a d'ilégitime dans l'autoritarisme patronal. D'autre part, l'invention, par le Tribunal d'Arbitrage, d'une formule de transaction aiderait puissamment à apaiser le différend. C'est un fait encore que la grande majorité des grèves se termine, en France, par une transaction; c'est un fait que des grandes grèves ont été heureusement terminées, à la satisfaction des deux adversaires, par l'habile découverte d'une formule d'accord. Le juge président du Tribunal d'Arbitrage serait l'homme le mieux capable de découvrir avec finesse la transaction qui serait le plus équitable et satisferait le mieux les deux parties.

Autre avantage considérable : il y a de grandes chances pour qu'une telle organisation de l'arbitrage obligatoire aide à faire triompher dans la plupart des cas la solution la plus juste, la plus humaine, celle que réclamerait un spectateur vraiment impartial. A défaut de sanctions plus efficaces, la sentence arbitrale aurait sans doute pour elle la force très puissante de l'opinion. C'est un fait qu'en temps de grève les deux parties cherchent ardemment à s'accroître l'approbation déla conscience publique; c'est un fait que souvent le succès ou l'échec d'une grève dépend de l'intervention des consommateurs et des commerçants, de l'impression sympathique ou hostile qui finit par prévaloir dans la ville ou la région. Mais la conscience collective est singulièrement hésitante et défaillante; elle se laisse duper facilement par les mensonges des journaux. L'arrêt
motivé d'un tribunal impartial viendrait orienter le curant puissant de l'opinion publique dans le sens de la solution la plus raisonnable et la plus juste. D'autre part, une fois l'arrêt rendu, le Gouvernement, le Parlement, les municipalités auraient mille moyens d'agir indirectement sur la grève pour la faire aboutir à la solution conseillée par l'arbitre (refus de commandes, attributions de secours, etc.). Aussi la sentence arbitrale aurait chance de s'imposer dans bien des cas. La double pression de l'opinion publique et des autorités constituait bien une sorte de contrainte, mais indirecte, et, suivant les circonstances, plus ou moins énergique. Aucune sanction ne pourrait être aussi souple; aucune sanction efficace ne pourrait être aussi peu tyrannique. Les patrons ou les ouvriers qui croiraient leurs intérêts dangereusement menacés ou leurs droits brutalement violés par une sentence arbitrale, pourraient toujours user des armes qu'actuellement leur confère la loi : ils ne seraient pas acculés à la révolte, comme si la sentence rendue était légalement obligatoire.

Enfin un dernier avantage, très important, de la loi, serait que dorénavant des contrats à longue échéance se multiplieraient, qui lieraient patrons et ouvriers; le Tribunal d'Arbitrage, comme la Cour néo-zélandaise, les ferait respecter, qu'ils soient établis de gré à gré, ou à la suite d'une sentence arbitrale librement acceptée par les deux parties. Les ouvriers goûteraient alors, comme en Nouvelle-Zélande, la certitude de ne pas voir leurs salaires brusquement diminués; les patrons seraient capables de prendre avec leurs clients des engagements à long terme. L'industrie nationale jurait d'une stabilité jusqu'alors inconnue.

Une telle loi serait utile à la nation, en rendant moins nombreuses et plus courtes les grèves, néfastes à la formation de la richesse nationale. Elle serait utile à la classe ouvrière, d'abord en l'aidant à améliorer son sort sans subir les souffrances des longues grèves; puis en l'obligant, pour réaliser un progrès continu, à réfléchir plus, à raisonner mieux sa conduite, à discipliner mieux son action. La loi travaillerait pour l'avenir le plus lointain en encourageant la classe ouvrière à accomplir un incessant effort d'organisation, d'instruction, d'éducation. Ainsi, pour des raisons d'ordre national et pour des raisons d'ordre social, la nécessité s'impose, d'ajouter, à notre législation industrielle, une loi organisant l'arbitrage relativement obligatoire.

La loi néo-zélandaise sur l'arbitrage obligatoire, qui réussit fort bien en Nouvelle-Zélande, ne pourrait être appliquée sans modifications à nos sociétés européennes. La Nouvelle-Zélande est trop différente de nos nations d'Europe, trop différemment située dans l'espace et dans le temps. Petite, agricole, abondante en richesses naturelles, isolée du monde, elle peut légiférer pour elle-même sans tenir compte de la concurrence étrangère; toute jeune dans l'histoire de l'humanité, elle apparaît comme le modèle d'une démocratie neuve, n'ayant pas subi de longs siècles d'oppression politique et économique. Nos pays européens sont de grands pays, et des pays de grandes affaires industrielles, soumis chacun à la brutale concurrence de tous les autres; ce sont de vieux pays, tout écrasés encore sous les tyranies du passé. Il est fatal qu'ils ignorent la paix industrielle presque parfaite dont jouit l'heureuse Nouvelle-Zélande.

Cependant, si on ne peut copier la loi néo-zélandaise, on peut du moins essayer de la transposer. On l'adapterait assez bien aux conditions naturelles et sociales des nations européennes, en remplaçant l'obligation où sont les deux parties de se soumettre aux décisions des arbitres, par la liberté, que patrons et ouvriers garderaient, d'accepter ou de repousser les décisions rendues, tout en devenant obligés de faire arbitrer par un tribunal impartial leurs différends industriels. Une loi organisant cette forme d'arbitrage relativement obligatoire, sans pouvoir créer en aucun pays européen une situation économique aussi favorable que celle de la Nouvelle-Zélande, aiderait du moins au développement de la richesse nationale et à l'accomplissement de la justice sociale. Elle représenterait une étape franchie dans la voie de la «démocratie industrielle»; elle servirait d'éducation. Ainsi, pour des raisons d'ordre national et pour des raisons d'ordre social, la nécessité s'impose, d'ajouter, à notre législation industrielle, une loi organisant l'arbitrage relativement obligatoire.

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La loi de 1894, sur laquelle a porté mon enquête en 1900, a été refondue à la fin de 1900, et amendée depuis en 1901. Elle reste la même dans ses grandes lignes; mais d'abord le nombre de ses bénéficiaires est accru; à la demande des Syndicats ouvriers, on a accordé le bénéfice de la loi à des salariés que le mot industriel, mal défini, avait paru exclure : employés de magasins, de bureaux, de tramways, etc.; et les employés de chemins de fer, — seuls de tous les salariés de l'Etat, — ont reçu le droit de recourir directement à la Cour d'Arbitrage. Puis on a étendu le pouvoir de la Cour d'Arbitrage : elle peut légiférer, quand elle le juge bon, non plus seulement pour un district industriel, mais pour toute la colonie Enfin on a rendu la procédure plus rapide, en autorisant les parties à porter directement le débat devant la Cour d'Arbitrage, sans passer par le Conseil de Conciliation (amendement de 1901).

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Why the Lords Must Go
The "Peers or People" Series of Papers for the Crisis.
A Plain Statement of what the Peers have done in the last Hundred Years.
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The Earl of Rosebery at Bradford, Oct. 27, 1894.

Price Sixpence.


Contents.

Preface.

This plain statement of the case against the House of Lords is a record of what they have done in the last hundred years.

History is their accuser. Their own Journals supply the damning evidence of their guilt. It is now for the people to pronounce the verdict—

The Lords Must Go!

The substance of this historical narrative first appeared in germ in 1882 under the title of "Fifty Years of the House of Lords." In 1894 it was reprinted, with additions, after Mr. Gladstone had publicly recommended it in his last speech in the House of Commons as having left on the mind of every Liberal the painful but firm conviction that the case of the House of Lords was grievously unsatisfactory. In 1906 it was largely rewritten, and published by Mr. Fisher Unwin in a half-crown volume under the title of "Peers or People? an appeal to History." The narrative has now been brought up to date, and is issued as an historical vade mecum for writers, speakers and voters at the General Election.

Why the Lords Must Go

Chapter I.

The Issue Stated.

The question before the country is simply this: Peers or People; which shall rule? That it should be raised at the beginning of the twentieth century is somewhat of a surprise. That it should be deliberately raised by the House of Lords on a question upon which the mandate of the electorate was clear and unmistakable, and the usage of the Constitution unbroken, is still more surprising. The fact, however, is there. The challenge is none of our seeking. The people of these three kingdoms were in no mood to raise the great constitutional question that they evaded in 1895. But the action of the Peers leaves the people no option but to pick up the gauntlet which the Lords have flung at their feet.

On the right-hand side of the corridor leading to the House of Lords the eye is arrested by a large mural
painting of one of the most memorable scenes in English history. It represents Charles Stuart, surrounded by his Cavaliers, hoisting the Royal Standard at Nottingham. It was the signal for the outbreak of the Civil War. Very heroic is the Sovereign, with his son on his right hand, surrounded by enthusiastic Cavaliers. I never saw that picture during the November days in which the House of Lords decided to make war upon the privileges of the Commons without recognising it as a symbol of what was happening before our eyes to-day. In 1641 the Stuart King, surrounded by the ancestors of our Tories, launched himself with a light heart against the elected representatives of the English people. Their descendants, animated by the spirit of the Cavaliers, were engaged in an operation less picturesque, but identical in essence with that depicted by the painter. That was the beginning of it. Less than eight years later we had the end of it, when Charles Stuart, on the scaffold at Whitehall, paid forfeit with his head for his attack on the privileges of Parliament. We shall not have to wait for eight years before the House of Lords pays forfeit for its insolent defiance of the privileges of the Commons. It is no single anointed head that will kiss the dust. But it is the conglomerate forces of the two great monopolies of Land and of Beer which will suffer, not by the headsman, but by an equally stern and trenchant expression of the indignation of a long-suffering people.

Long-suffering indeed, but not for ever suffering. The full cup has run over at last. It is now for the Commons of England, not to exact vengeance, but to administer justice long delayed, by striking down at once and for ever the pretensions of a senile oligarchy to establish the sovereignty of the Peers upon the ruins of the privileges of the people.

To the accomplishment of this task all other political interests must be subordinated. If the dual usurpation of the Royal prerogative of dissolution and of the Commons' privilege of financial control be not met with stern and instant chastisement, then our claim to be a self-governing democracy, a Crowned Republic, disappears at once and for ever. It is no use preaching of this, that, or the other reform to be carried out by the will of the people when the fundamental principle of the government of the people by the people for the people is trampled in the dust.

The question before the country at the coming election is summed up in the phrase, "Peers or People: Which Shall Rule?" The glozing and mendacious pretext that the Peers are exerting their authority merely in order to give the electors an opportunity of expressing their opinion upon the Budget is a subterfuge similar to that by which the wolf arrays himself in sheep's clothing in order to devour the flock. Even if it were accepted at its face value it would amount to a revolutionary change in the ancient Constitution of this realm. It would present to us, instead of a system of King, Lords and Commons acting in accordance with long-established constitutional usage as the legal representatives of the nation, an oligarchy wielding a despotism tempered by plébiscite, a system in which there will be neither room for King nor Commons. The principle of plébiscite is as foreign to the British Constitution as is the claim of the Upper House to refuse to the monarch the supplies voted by his faithful Commons.

The pretext that the Peers have wrecked the Budget out of an excessive anxiety lest any financial or social reforms should be introduced upon which a mass vote of the people has not been taken, is a piece of insolence so flagrant as to justify our resenting it as an insult to the common sense of the nation. Behind all these fine phrases and protestations of anxiety to take the opinion of the people there lies the settled resolve of the landlords and the publicans to render it impossible for the Liberals to govern the country in the future. It is an attempt to pack the cards against the Liberal Party, or—to vary the metaphor—to secure that the Tories shall always be at the wickets by appointing an umpire who will always declare the Liberals all out in the first over. That may be Tory politics, but it is not English cricket. If for one moment the claim of the Peers to refuse Supplies be recognised as valid, no Liberal Ministry can survive its first Session. For the House of Lords has become a Tory caucus, whose dominating principle is to promote the interest of the Tory Party and to protect the sacred privileges of beer. If the electors tolerate the attempt of the Peers to usurp the right of refusing Supplies, which has been hitherto exclusively exercised by the Commons, the government of this country passes permanently into the hands of what is to all intents and purposes a joint caucus of Tories and brewers. If the Tories and brewers succeed in securing a return of the narrowest possible majority, the Tories will be left to govern the country for seven years without any control or interference from the Second Chamber. This will never do. But it is this monstrous claim to secure for the Tory Party the monopoly of the government in this country, to destroy the ancient constitutional usage of centuries, that the electors have now to defeat, to repel, and to punish by inflicting upon the usurpers a defeat so overwhelming as to paralyse for ever the forces which have aimed so sinister and deadly a blow against the privileges of the House of Commons, the principles of self-government and the usages of the ancient Constitution of this realm.

Misled by the electoral endorsement in 1895 of their rejection of the Home Rule Bill in 1894, they imagine that they are free to reject or transmogrify any and every measure that is sent up to them by the House of Commons. It is necessary at all costs to knock this delusion on the head without delay, otherwise what Lord Rosebery said will be quite true. The process of popular election becomes "musty and superfluous," and the
British democracy passes under the yoke of the Peers.

The claim that is put forward with more or less impudence by the apologists for the House of Lords is that the Peers have a right to demand a dissolution in order that the electorate may have an opportunity of saying whether it has changed its mind since the General Election! It is not denied that the Liberals received a mandate from the electorate to legislate to defend Free Trade and to defeat Tariff Reform. That mandate was expressed in the unmistakably solid shape of a majority of 354. If the Nationalist vote be subtracted from the Ministerial vote and added to that of the Opposition, it still showed a majority of 192. There were only 158 Unionists of all shades returned to a House of 670 members. Never was there a verdict more decisive. To secure the election of that House, no less a sum than one million sterling was spent in polling 3,394,346 votes for the Liberals and 2,557,928 for the Unionists. To demand an immediate dissolution under such circumstances is the superfluity of naughtiness, and the proposal is made solely for the purpose of bringing representative government into contempt. It would be simply impossible to carry on if the House of Lords is allowed to refuse to pass any measure it dislikes until it has been submitted twice over to the verdict of the electorate. The Chartists demanded Annual Parliaments. Mr. Balfour regards the Septennial Act as one of the fundamentals of the British Constitution. But the demand for a dissolution by the Peers is virtually to allow the House of Lords to repeal the Septennial Act when the Liberals are in office and to usurp the prerogative of the Crown in fixing the date of a dissolution.

If the country stands this usurpation on the part of the Peers it seals in advance the fate of all legislation introduced by a Liberal Administration. Even if the Peers approve of the Bills sent up from the House of Commons, it is to their party interest to reject them in order that their party may afterwards have the credit of passing them. But even if they did not carry partisanship quite so far, Liberal legislation is unpopular enough with the majority of the Peers for them always to have conscientious scruples against allowing their Bills to pass into law. The fate that has befallen the Education Bill and the Plural Voting Bill in the first Session befell the Licensing Bill in the third, the Scotch Land Bill in the second, and the Budget in the fourth. The responsibility of the Peers is measured by the extent of their opportunity, and that is limited only by the range within which they can mutilate and reject Liberal Bills with impunity. When once they are assured that they can do their deadly work upon all Liberal Bills without protest or commotion they will reject them all. And what is more, it will be their duty to do so. For the acquiescence of the country in the exercise of their veto is equivalent to the conversion of a strictly limited and subordinate prerogative into one of absolute and uncontrolled power. It is as if a Constitutional Monarch were suddenly and silently converted into an absolute despot.

The issue, therefore, is whether the ancient time-honoured system by which this country is governed alternately by Liberals and Conservatives, according to the swing of the electoral pendulum in the electoral clock, is to continue, or whether this country is to be governed permanently henceforth by the Conservatives, acting through the packed Committee of the Tory caucus which rejoices in the title of the House of Lords. We are face to face with a demand for the permanent exclusion of the Liberal and Labour parties, not from office but from power. Liberals and Conservatives may take turns in the work of administering the affairs of the State. But when it comes to legislation, the Liberals are to be ruled out. The Conservatives alone can legislate, because their enormous preponderance in a Second Chamber, which is never renewed by election, enables them to put an absolute veto upon any legislation which the Liberals may propose, and their claim to reject budgets places the Government at their mercy.

It is against this new and monstrous reversion to a worse than Boyal veto, because vested permanently in the hands of a faction, that the Liberals must now protest with effect or for ever hold their peace.

Chapter II.

What the House of Lords Is.

It is often assumed that those who advocate the ending or the abolition of the House of Lords are therefore necessarily opposed in principle to a Second Chamber. It would be nearer the truth to say that it is those who believe most in the importance of Second Chambers who are the most hostile to the House of Lords. That this is necessarily so will appear the moment we inquire for what purpose the Second Chamber is supposed to be needed in a representative Government, and it is still more apparent when we examine the Second Chambers of other lands.

The first duty of a Senate is to act as a revising Chamber to correct the errors and straighten out the tangles
in the legislature of the popular Assembly. This duty demands for its exercise, impartiality, expert training, patience, and industry.

Its second duty is to act as a legislature, taking its fair share in the burden of legislating for the nation. The more hopelessly clogged and broken down is the popular House, the more urgent is the need that the Second Chamber should relieve it of some portion of its task.

Its third duty is to act as a strong and trusted bulwark against the aggression either of monarchs or of mobs, to defend liberty and law impartially and firmly against all assailants.

For the discharge of these duties, the first essential is the confidence of the nation, without which it cannot possess the courage to do its work. The second essential is confidence in itself: it must not feel that it is an anachronism, a mediaeval ghost lingering belated in a democratic age till some revolutionary cockcrow sends it to limbo. The third essential is that its members should be held to their work by a constraining sense of public duty. And the fourth is that they should be fairly representative of the nation as a whole, and above any reproach of being connected with any special industry or interest.

For any Second Chamber to command the confidence of the whole nation it must not be identified with any section of the nation. Alike in class, in politics, and in religion, it ought to bear some proportionate relation to the people on whose behalf it legislates. To be permanently identified with either party in the State is fatal.

In the struggle upon which all nations are entering between the Haves and the Have Nots, between the Socialists and the moneyed classes, a Second Chamber should exert a moderating and balancing influence. This is not to say that it should be recruited equally from the Sansculottes and the money-bags, but it ought not to be identified with either.

The House of Lords is the only Second Chamber in the world at the present moment which is based solely upon the hereditary principle, plus the Lords Spiritual—the Bishops. That circumstance in itself is sufficient to give us pause. How is it that the universal judgment of mankind is against a strictly hereditary Second Chamber? Many Second Chambers have an infusion of the hereditary element. But the House of Lords stands alone as the one solitary survival of a hereditary House.

This is the more remarkable because it was not originally intended to be a hereditary Chamber. Mr. Edward A. Freeman has devoted much learning to demonstrate that the hereditary character was not its original essence. The hereditary legislator he regards as a late modern development which has obscured the original character of an assembly to which the King summoned whom he pleased at first, without a thought of conferring upon their descendants a right to be summoned in their turn to the legislature. Be that as it may, we have to do with things as they are to-day, and the outstanding fact is that the House of Lords is now a hereditary legislature. As such it invites, nay, challenges attack. Hereditary legislation belongs to the past. It is an anachronism and an anomaly at the present day. As Mr. Goldwin Smith says, the House of Lords was never created to serve the purpose of a Second Chamber. "It is a relic of a time in which the legislative, executive, and judicial functions lay enfolded at the present day. As Mr. Goldwin Smith says, the House of Lords was never created to serve the purpose of a Second Chamber. "It is a relic of a time in which the legislative, executive, and judicial functions lay enfolded in the same germ. The task now proposed to British statesmanship is in effect that of converting an estate of the feudal realm into a chamber of revision or senate."

Being an anachronism, the House of Lords is an assembly which is notoriously without the courage of its own convictions. It is conscious of its anomalous position, and is weak and timorous when a real Senate would be bold and strong. That, indeed, is one of the reasons why it has continued so long to exist. There are Radicals who resent any attempt to create a real Second Chamber because they regard the House of Lords as the weakest, and therefore the least mischievous, Second Chamber that the wit of man ever invented. Single Chamber Radicals, it has been wittily said, prefer to keep the House of Lords as it is for the same reason that the Russian Government preserves the Sultan at Constantinople. It is not that they love the Lords or the Turks, but they regard both Lords and Turks as less formidable obstacles to the realisation of their ulterior ambitions than any conceivable substitutes. To the revolutionist the House of Lords is almost an ideal simulacrum of a constitutional check, for it is guaranteed to disappear whenever the popular pressure rises to the point of threatened violence. But alike to the constitutional reformer and the opponent of reform, no contrivance can be so detestable as an institution which blocks the way obstinately when timely reform might avert disaster, but which vanishes from the scene the moment popular discontent develops into revolutionary fury.

The essential weakness of a hereditary House in this democratic age has been frequently deplored by staunch Conservatives. Lord Newton and Sir Herbert Maxwell are among the most recent to bear testimony in this sense. The latter, writing in 1906, said, "It would be vain to deny that the continuance of a purely hereditary Chamber in a Constitution such as ours, thoroughly democratic in theory and practice, is a salient anomaly, and as such liable to frequent and formidable attack."—(Nineteenth Century, July, 1906.) The result of being in such a position was illustrated, much to Sir Herbert Maxwell's disgust, in the passage of the Trades Disputes Bill in 1906.

The speeches of Lord Lansdowne and Lord Halsbury, as leaders of the majority, showed that they entirely shared Sir Herbert Maxwell's view of the iniquitous nature of the Bill. Lord Lansdowne told the Peers that the
Bill would bring "ruin to trade, bodily suffering to individuals, and mental anguish, with loss, danger, and inconvenience to the community at large."

Lord Halsbury declared that the Bill was "dangerous, unjust, and contrary to the whole spirit of British liberty." It was "gross, outrageous, tyrannical; it legalised tyranny." It was "a disgrace to a civilised country," and contained "a section more disgraceful than any that had ever appeared in an English statute."—(House of Lords, December 4, 1906.)

This was the deliberate verdict of the late Lord Chancellor and the leader of the Conservative Peers. They had an obedient and overwhelming majority at their command eager to destroy this atrocious Bill and to deliver the country from the danger which menaced it. But instead of doing this plain duty the Peers were advised by their party chiefs to allow it to pass, lest by rejecting it they might endanger their own existence. Lord Lansdowne's words were thus reported in the Times (December 5, 1906):

He should greatly deprecate an appeal to the people on such a ground as that. They were passing through a period when it was necessary for the House of Lords to move with great caution. Conflicts and controversies might be inevitable. But let their lordships, so far as they were able, be sure that if they were to join issue they did so upon ground which was as favourable as possible in themselves. In this case the ground would be unfavourable to the House, and the juncture was one that, even were their lordships to win the victory, would be fruitless.

The Peers accepted his advice and passed what they believed to be a thoroughly bad Bill on the naked ground that the issue was an unfavourable one for the House of Lords. As the Westminster Gazette remarked:

That really bars the claim of the House to be a revising Chamber which considers important Bills on their own merits, and reduces it to a party convention accepting the tactical decrees of the Opposition Leaders in the other House.

How apt and timely an illustration of the justice of Lord Rosebery's remark:

In my judgment the House of Lords is not a Second Chamber at all. . . . It is a permanent party organisation, controlled for party purposes and by party managers.—(Bradford, October 27, 1894.)

The House of Lords as a revising body is very much at a discount. That there is great and urgent need for a New Legislature exists in order to give statutory expression to the wishes of the legislators. Whether they do their work effectively or not is to be tested by the decisions of the Law Courts when they are called upon to interpret the statutory results of legislative activity. It is a curious fact that for the whole of the first year of the present Parliament the nation has been occupied in endeavouring to remedy the results of the imperfect drafting of three Acts of Parliament, all of which were framed by Conservative Governments and carried in their present shape by Conservative Parliaments, without a Second Chamber discovering the flaws in the drafting which
nullified the intentions of their authors.

The House of Lords, as it is at present constituted, consists of three peers of the Blood Royal, 540 peers of England, Great Britain, or of the United Kingdom, 28 representative Irish peers, 16 Scotch representative peers, the 2 Archbishops and 24 Bishops of the Established Church, and 5 life peers.

Of the 600 odd peers, lay and spiritual, 400 seldom, or never, attend. The heaviest attendance occurred in 1893, when 419 peers voted against the Home Rule Bill, and 41 in its favour. In the last forty years there have only been forty divisions—just one per annum—in which more than 100 peers found themselves in the same lobby. The heaviest numbers have been on the Marriage with a Deceased Wife's Sister Bill, which, after they had thrown it out eight times, they suddenly accepted in 1896, without any apparent reason for this change of heart. No one was threatening them with violence, nor had any General Election been held for the express purpose of ascertaining the views of the electorate on the lawfulness of marrying sisters-in-law.

It is a popular delusion that the Peers, as a body, represent families of ancient lineage. Since 1831, no fewer than 215 peerages have been created by Liberal Governments. Of these, 30 have become extinct. In 1828, there were 128 Liberal peers. If none of them had turned their coats, there ought to-day to be 313 Liberal peers in the House of Lords. Liberalism, however, alas! does not seem to be hereditary.

The following brief table shows the way in which Liberalism in the Upper House has dwindled in the last forty years:—

From this it would seem, with the exception of the sudden rallying of the last remnant of the Whigs to the cause of Parliamentary Reform in 1884, the Liberals have never been able to put 100 peers into the lobby in the last forty years, while the Conservatives have voted from 150 to 419. If the maximum Unionist majority may be measured by the vote against the Home Rule Bill, the Unionists have a ten-to-one majority in the House of Lords. If the divisions on the Education Bill be taken as a sample of the workaday strength of the party in the Upper House, the majority is for working purposes about three to one.

Out of 500 peers 60 can claim to have had nine predecessors in the title, only seven can claim 20. The immense majority of the peers are of modern creation.

The assumption that peers are men of such transcendent merit or such exceptional genius that all their descendants to the tenth and twelfth generation must be more fit than other men to legislate wisely for the nation, will not hold water for a moment. Genius is not hereditary neither is statesmanship. But even if it were, the origins of our titled legislators are not such as to justify any confidence in the law-making capacity of their progeny. The majority of men who are made [unclear: peers] are men who have made money and who can afford to buy [unclear: their] coronets directly or indirectly. How much it cost Mr. Alfred Harms worth in order to call himself Lord [unclear: Northcliffe] is not stated in [unclear: any] Parliamentary return. Neither do men know what money [unclear: passed] before other wealthy men became entitled to receive the King's [unclear: wri] summoning them to attend in their places in the House of [unclear: Lords]. But it is perfectly well known that peerages are never bestowed [unclear: upon] poor men. A title is the fancy trimming of a plutocrat. A big [unclear: brewe] has not achieved the climax of his social ambition until he has [unclear: scramble] over his beer barrels into the Gilded Chamber. The House of Lord is replenished in our day by the steady-going partisans who have [unclear: spen] their money liberally in contesting seats in the House of Commons, [unclear: an] who in compensation are allotted an undisturbed seat in the House [unclear: o] Lords, not only for the rest of their days, but for their sons and their [unclear: sons] sons after them, till the crack of doom. It is also recruited by men [unclear: wh] are not good enough for office, and who must therefore be fobbed off [unclear: wit] something, and who receive a peerage as a kind of consolation [unclear: priz]. Then come notable proconsuls and ambassadors, who receive a peerage [unclear: a] a kind of premium thrown in to gild their retiring pensions. Lord [unclear: Milne] for instance, as a reward for having spent £250,000,000 in compelling [unclear: th] Boers to call the states which they govern colonies instead of [unclear: republic] was empowered to call himself Viscount Milner instead of Sir Alfred, thin stream of lawyers trickles into the House, men who have succeeded [unclear: i] their own profession and who have done well by themselves. The [unclear: principle] of recognising distinguished merit in every profession is good. But [unclear: i] over-recognition is unnecessary. The incentive to become Lord Chancellor, to annex a province or to make a fortune, would lose none of its potency if, instead of a peerage with right of succession to male offspring, the fortunate hustler in the struggle for existence was compelled to content himself with a peerage for life. Even if his children were allowed to inherit the title, there is no necessity for adding thereto a prescriptive right, generation after generation, to a seat in the House of Lords.

Sir Wilfrid Lawson said that peers were made of men who had either "made much money, or bribed many voters, or brewed a great deal of beer, or killed large numbers of people." When the question "Who were their ancestors?" is looked into, it will be found that many owe their peerages to even less respectable sources than those enumerated by Sir Wilfrid Lawson. The peerages of Marlborough, Wellington, Nelson, Wolseley, Alcester, and Roberts were won by distinguished service in naval or land warfare. To these men the barracks
and the quarter-deck were ante-chambers to the legislature. Even if the camp and the deck are the best schools of
statesmanship, the qualities that raise a soldier or a sailor to the top of his profession are seldom transmitted
to his posterity. In India they have a caste of "hereditary clerks who pray to their ink-horns," but it is only here
that the sons of successful soldiers and sailors are supposed to be qualified to become hereditary legislators who
make laws for the Empire. There are many peerages founded by lawyers which may be said to have some claim
to represent exceptional ability. But the majority of our peerages are bestowed for any and every reason except
a proved capacity to take a useful part in legislation.

The origin of some of our peerages, notably the Irish peerages, is infamous. Titles have been given to men
for deeds for which they deserved whipping at the cart's tail. Peerages were recognised as an indispensable part
of the currency of corruption. "The majority of Irish titles," said the Unionist historian, Mr. Lecky, "are
historically connected with memories not of honour but of shame."

Says Mr. Lecky—

In the majority of cases these peerages were simple, palpable open bribes, intended for no other purpose
than to secure a majority in the House of Commons. The most important of the converts was Lord Ely. He
obtained a promise of an English peerage, and he brought to the Government at least eight borough seats.

But it is unnecessary to go seriatim over the black list. Sufficient has been quoted to show that the
hereditary House of Lords has been often recruited by men whose deserts would have been more justly
rewarded by incarceration in a convict prison. The progenitors of some of our noble legislators may have been
men distinguished above their fellows for virtue and genius. But the progenitors of so many of the others were
scamps and scoundrels that it is impossible to say, without looking up Debrett, whether a man is a hereditary
legislator because his forefather was preeminent for rascality or for public spirit. Probably, as a rule, he
belonged to the majority—he was pre-eminent for nothing, but belonged to the great army of wealthy,
respectable mediocrities who rendered yeomen's service to their party, and who received the partisan's reward.

Chapter III.

Before the Reform Act of 1832.

"Some people tell us," said John Bright in 1858—

that the House of Lords has in its time done great things for freedom. It may be so, though I have not been
so successful in finding out how or when as some people have been. At least since 1690, or thereabouts, when
the Peers became the dominant power in this country, I am scarcely able to discover one single measure
important to human or English freedom which has come from the voluntary consent and goodwill of their
House.

Mr. Bright, it will he noticed, selects the year 1690 as that in which the Peers became the dominant force in
this country. For purposes of comparison between the two Houses of Parliament, 1690 is much too distant a
date. The division of Parliament into two Houses dates from the reign of the Second Edward. But the division
between the aristocratic and democratic element in Parliament, if we accept the period of the first Stuarts, began
after the passage of the Reform Act of 1832.

After the Wars of the Roses, the Tudor despotism found little to choose between Lords and Commons in
subservience to its will. Only twenty-nine temporal peers received writs of summons to the first Parliament of
Henry VII. During the whole reign of Henry VIII. Hallam says he can only find one instance in which the
Commons refused to pass a Bill recommended by the Crown. When the dynasty passed on the death of
Elizabeth from the Tudors to the Stuarts, the number of temporal peers was only fifty-nine. The first James
created sixty-two peers; the first Charles fifty-nine.

The new creations, therefore, largely exceeded the old. They were for the most part King's men, and the
House of Lords, as was to be expected, played but a small part in the great struggle which saved Parliamentary
government in the middle of the seventeenth century. The two Houses had occasional collisions over the vexed
question of the financial privileges of the Commons. At a conference held in 1640, the Lords protested that
"My Lords would not meddle with matters of subsidy which belong naturally and properly to you—no, not to
give you advice therein, but have utterly declined it."

Sturdy Mr. Pym, however, refused to accept their disclaimer. He told them that they had not only meddled
with matters of supply, but that they had both "concluded the matter and order of proceeding, which the House
of Commons takes to be a breach of their privilege, for which I was commanded to desire reparation from your
Lordships."
The Lords made the desired reparation by declaring that they did not know they were breaking a right of the Commons by merely suggesting that supply should have precedence over the consideration of grievances. Such a suggestion, however, revealed the cloven foot. "No supply until grievances are redressed!" was the rallying cry of the friends of liberty, and it is significant that in one of the first instances of a collision between the two Houses the Peers are found opposing themselves to the fundamental principle which has been the key to the liberties of Britain.

The struggle between the King and the Parliament had not proceeded very far before a contest arose between the two Houses on the question of the right of the Bishops to sit in the Upper House. In 1641 the House of Commons sent up a Bill "to disable the Bishops and clergy from all temporal functions." The Upper House held two conferences with the Commons, and then rejected the Bill as an invasion of their rights. The Commons might with equal reason cut off the barons, or any other class of the peerage. In the following year the Commons sent up a Bill for "taking away the Bishops' votes in Parliament." Most of the Bishops, cowed by the vehement demonstrations of popular antipathy, stayed away. The temporal peers passed the Bill, and the King, acting under the influence of his Roman Catholic Queen, gave it his assent.

The outbreak of the war carried off many peers to the Royal Standard. The remnant of the House of Lords refused to concur in the vote of the Rump of the House of Commons, declaring Charles Stuart guilty of treason, and constituting a High Court of Justice for his trial. Thereupon the Rump, on January 4th, 1649, passed the famous resolution:—

_The Commons of England assembled in Parliament, being chosen by the people representing them, are the supreme authority of the nation. Whatever is enacted and declared to be law by the Commons hath the force of law without the consent of the King or the House of Lords._

This was followed up on February 10th by a still more trenchant resolution:—

_That the House of Peers in Parliament is useless and dangerous, and ought to be abolished. And that an Act be brought in to that purpose._

The House of Lords reappeared after the Restoration. The first time that they took action differentiating their policy from that of the Commons was significant. Charles II. had promised pardon to all rebels except those excluded by Act of Parliament. The House of Commons sent up its list of proscribed persons. The House of Lords enlarged that list by-doing the judges of Charles I. who had surrendered, and added nine other names to the list of the doomed. This was too much for the Commons, who struck out the additions proposed by the Peers, and added a clause that no one who had surrendered should be executed except under a special Act of Parliament passed for the purpose.

In the enactment of the series of persecuting edicts which were in flagrant violation of the liberty of conscience promised in the Declaration of Breda, the Peers did nothing to restrain the fanaticism and intolerance of the Lower House. They joined hands with the House of Commons in substituting an excise duty for the land tax, whereby, in Mr. Spalding's words, "by a vote of their own House they relieved themselves from all the most onerous liabilities in respect of land, by virtue of the payment or performance of which they had originally become entitled to their seats as peers."—(Spalding, "The House of Lords," p. 66.)

_"The House of Lords," says Hallam, "after the Restoration contained an invincible majority for the Court ready to frustrate any legislative security for public liberty. Thus the Habeas Corpus Act first sent up to that House in 1674 was lost there in successive sessions. It was not until 1679 that the Lords consented to pass this 'great symbol of our liberty.' In 1680 the Lords threw out the Exclusion Bill which would have saved the country the disastrous years of James II.'s reign."—("The Liberal Platform," pp. 171-2.)_

Charles II. created sixty-four peers. James II., before his reign was cut short by the Revolution of 1688, had created eight. Altogether the Stuarts made 193 peerages between 1603 and 1688—not so many as the Liberals created between 1832 and 1894. While the Stuarts were on the throne 99 peerages became extinct. There were only 153 temporal peers when William of Orange succeeded to the vacant throne.

If there was ever a period in the history of England in which it may be alleged that the House of Lords did any good it was after the Revolution of 1688.

It was the Lords Temporal and Spiritual who, being left almost the only remaining authority in the State after the flight of James, took the lead in framing the Declaration of Rights, and in welcoming William and Mary to the vacant throne. From that day, for half a century and more, the Whig peers ruled England—the House of Lords in the reign of Queen Anne was more Liberal than the House of Commons.

Mr. Lecky pays a high tribute to the Whig peers who, in the early part of the reign of George I., were in the ascendant in the House of Lords. He says:—

_In general, the services of the Peers to the cause of civil and religious liberty at the time we are considering were incontestable; and the advantage of an Upper House to this portion of our history can scarcely be questioned by any one who regards the Revolution and the principle it established as good._—("History of England," vol. i., p. 186.)
Comparatively good as was the House of Lords in those days, it came into collision with the House of Commons on a matter in which the Lower House showed a sounder sense of the genius of the Constitution than the House of Peers. Yet it was a matter which primarily concerned the Lords themselves. Alarmed by the creation of twelve peers in the previous reign for the purpose of securing a majority for the Court, and anxious to prevent the adulteration of the peerage by new creations from the King's favourites, the Whig Lords, with the King's assent, brought in a Bill in 1719 which forbade the creation of more than six new peers. The King might fill up vacancies created by the extinction of existing peerages, but he was to make no new peers. The system by which sixteen Scotch peers were elected was to be abolished, and twenty-five Scotch peers were to have hereditary seats in Parliament. The Bill would, if it had been carried, have made the Peers a privileged order, who could neither be renewed nor swamped by the Royal prerogative. New blood could only be slowly filtered into the Upper House as peerages became extinct. The House of Lords passed the Bill through all its stages, but the House of Commons, which was full of country gentlemen who hoped some day to have the chance of a peerage, promptly threw it out by a majority of 92. The door therefore was left open, and is still open, for the creation of as many peers as may be necessary to bring the Upper House into harmony with the will of the people.

The only other notable clash of opinion between the two Houses in the eighteenth century was over Mr. Fox's India Bill in 1783. This Bill, brought in by the Coalition Government of Fox and Burke, placed the administration of India under the control of a Board of seven persons to be appointed by Parliament for a term of four years. The House of Commons sent up a Bill by a two to one majority—208 to 102. The House of Lords threw it out by 95 to 76. The King, who hated the Bill and its authors, promptly dismissed the Coalition Government and made Pitt Prime Minister. On an appeal to the country the action of the House of Lords was approved by the constituencies. Fox's party lost 160 seats, and the tidal wave of reaction gave Pitt a powerful majority. The circumstances somewhat resembled the history of the action of the Peers on the Home Rule Bill nearly a hundred years later.

In the eighteenth century it may be admitted that the House of Lords was no worse, and sometimes a little better, than the Lower House. But as the Peers practically nominated the Lower House in the latter part of that period, this is not very surprising.

Chapter IV.

How the Reform Act was Carried.

The history of the House of Lords may be divided into three parts. At first the Peers and Commoners sat together. Afterwards the Peers dominated, and at last practically nominated the House of Commons. The third period dates from the Reform Act of 1832, when for the first time Lords and Commons were arrayed against each other as representatives of antagonistic principles. Before describing what the Lords have done since the emancipation of the Commons, it may be well to pause a little to describe how that emancipation was brought about.

This is no ancient history. The lesson which the Peers and the People mutually taught each other in the famous struggle of 1831-2 has influenced the relations between the two Houses down to the present day. That lesson—one of the most dangerous that can be taught to any people—was the supremacy of brute force in the settlement of political questions. The Reform Act was not carried by reason but by violence. The Peers capitulated to the menace of revolution. Incendiaryism, pillage, murder—these were the only arguments to which the House of Lords would lend an ear. The aid of crime was needed to carry the Reform Act; the rights of the people could only be extorted from the Peers by terrorism and the menace of civil war.

That was the fatal lesson which the democracy received in its cradle from the House of Lords. If Russia is a Despotism tempered by Assassination, England is an Oligarchy tempered by Intimidation.

To overcome the resistance of the House of Lords to Reform it was not sufficient to rely upon constitutional means. Agitation which was law-abiding and orderly was as the idle wind that whistles round the Victoria Tower. The fountains of the Great Deep had to be broken up, the foundations of society disturbed, conspiracy set on foot, and the great red dragon of revolution held in leash ready to be unloosed before the House of Lords would admit the necessity of Reform.

What has been the result? The People, from that time to this, have never forgotten the lesson. The House of Lords has been tolerated because it can always be terrorised. This constant underlying consciousness that without a display of turbulence below there is no hope of concession from above, has been one of the poisonous
the first taste of the ultima ratio smashed all windows that were unlit, including those of Apsley House. It was a grim earnest of things to come, who, obeying his instinct as to the only way in which to put the fear of God into the hearts of the Peers, nothing but the Bill! "London was illuminated by order of the Lord Mayor, an order enforced by King Demos, before it went into Committee, Ministers were left in a minority of eight.

leaseholders and copyholders in the counties. The introduction of the Bill was hailed with great enthusiasm in the country. But in the House of rotten boroughs, the second reading was only carried by a majority of one. And the independent members were returned at an expense so enormous that the whole representation of the people was in the hands of the wealthy classes. Members who were returned for pocket boroughs considered themselves liberally treated if they were asked for no other pledge than that they would resign whenever their views differed from those of their patron. While many of the most populous towns had no representative in Parliament, two members were returned to represent a stone wall, other two for an empty park, and two more for a green mound. It was the veriest travesty of a representative system. Yet to the House of Lords and its illustrious chief, the Duke of Wellington, it was almost ideally perfect.

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At that time the so-called House of Commons was in the pocket of the House of Lords: 471 members, out of a House of 658, were returned by 267 persons of whom 144 were peers; 16 other members were returned by Government influence. Only 171 members were independent.—("Oldfield's Representative History," vol. vi., pp. 285-300.)

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Said the victor of Waterloo from his place in Parliament in 1830:—

I have never read or heard of any measure up to the present moment which could in any degree satisfy my mind that the state of the representation could be improved or be rendered any more satisfactory to the country at large than at the present moment—(3rd Series, Hansard, vol. ii. col. 1102.)

Very shortly afterwards the Government was defeated, and Lord Grey took office with a programme of Reform.

The new Ministry had no majority to speak of in the House of Commons. It was in a hopeless minority in the House of Lords. Lord John Russell introduced a Reform Bill which disfranchised outright 60 boroughs with less than 2,000 inhabitants, while 47 others each lost one of their members. Of the 167 seats thus obtained 62 were not to be filled up. The others were distributed as follows: London, 8; large towns, 34; English counties, 55; Scotland, 5; Ireland, 3; and Wales, 1. The ten-pound borough householder was to receive a vote, and the leaseholders and copyholders in the counties. The introduction of the Bill was hailed with great enthusiasm in the country. But in the House of rotten boroughs, the second reading was only carried by a majority of one. And before it went into Committee, Ministers were left in a minority of eight.

Parliament was at once dissolved. The people rallied everywhere to the cry, "The Bill, the whole Bill, and nothing but the Bill! "London was illuminated by order of the Lord Mayor, an order enforced by King Demos, who, obeying his instinct as to the only way in which to put the fear of God into the hearts of the Peers, smashed all windows that were unlit, including those of Apsley House. It was a grim earnest of things to come, the first taste of the ultima ratio of the Democracy. The election went everywhere in favour of the Reformers.
One hundred anti-Reformers lost their seats. The county members who had opposed Reform "went tumbling like ninepins." Out of 82 county members only six were returned to oppose Reform. When Parliament opened it was found that the Reform Ministry had a majority of 136 returned with an express mandate to carry "the Bill, the whole Bill, and nothing but the Bill."

The defeated Tories resorted to obstruction. From Midsummer till well-nigh Michaelmas they resorted to all the methods of delay, which in those days were primitive and rudimentary. But at last the Bill was sent up to the House of Lords. The second reading was moved on October 2nd.

The measure was admittedly one which struck a heavy blow at the powers and prerogatives of the Peers. The House of Lords, therefore, only exercised a natural instinct in rejecting it on October 7, 1831, by a majority of 199 to 158, after five nights' debate. No vote could have been more legitimate or more justifiable if it be accepted that the function of the House of Lords is to stem the rising tide of democracy and to preserve intact the aristocratic institutions of the country. It was the reductio ad absurdum of the constitutional paradox. The House of Lords, whose existence is defended by asserting the necessity for an effective check upon a craving for revolutionary change, and which is furnished for that purpose with a decisive veto upon every measure which in its mature and hereditary wisdom it regards as unwise, was fifty years ago confronted by a popular demand for a revolutionary change which it regarded as not merely unwise but dangerous in the extreme. It showed the courage of its convictions; it discharged its function; it rejected the Bill. The result was a conclusive demonstration of the impossibility of working constitutional machinery on constitutional principles if the House of Lords were to exercise the powers with which it is vested by the law.

The immediate answer of the people was to resort to tumultuary violence, which, by an inevitable law, speedily developed into crime. They hustled and howled at the bishops, detesting them more than all others. And with cause. For until the day of the fatal division it had been the established custom of the Lords Spiritual to vote with the Government of the day. On this occasion the Lawnsleeves broke loose. The Primate denounced the Bill as "mischievous in its tendency and dangerous to the fabric of the Constitution." Twenty-one of the right reverend Fathers in God voted against Reform—only two in its favour. If the bishops had voted for the Bill it would have been carried by a majority of one. So Demos took to dubbing the Lords Spiritual "to teach them to behave," until the bishops hardly dared to venture into the streets.

But it was not enough to rabble the bishops and assault dukes and lords on their way to Parliament House. It was necessary to intimidate the King. A menacing procession of 60,000 persons marched to the gates of St. James's Palace to present an address to the King—an address which was almost in the nature of a command. "Retain your Ministers. Press on the Reform Bill, and expel all anti-Reformers from your Court." "Your will shall be done," replied the frightened monarch. Then the multitude, elate with its triumph over its sovereign, gave itself up to what in our day is known as mafficking. They bellowed threats of violence against the Peers and the Bishops, they mobbed any unfortunate Tory they found in the streets, and finally relieved their excited feelings by breaking some more windows.

In London the demonstrations of hostility to the Peers did not go beyond rough horseplay, accompanied by threats of violence to come. It was far otherwise in the provinces. The pent-up violence of the hour found vent in outbreaks of incendiarism and of crime. The mob at Nottingham got out of hand and expressed their antipathy to the political principles of the Duke of Newcastle by giving to the flames the palatial castle which looks down from its lofty eminence upon the great industrial town which lies at its foot. Riotous mobs assembled, destroying property and subverting order at Derby, Loughborough, and other places. What was more serious was that the Government could no longer rely implicitly upon the obedience of its armed forces. Lord Melbourne, who was then Home Secretary in the Reform Administration—although he personally cared little for Reform—wrote to the King's private secretary on October 25th:—

I am extremely concerned to learn from Dorsetshire that the spirit of party occasioned by the recent election prevails to such a degree in the yeomanry corps of that county, that it is deemed inexpedient to call upon them to act in case of riot provided I the doing so can possibly be avoided.—(Lord Melbourne's Papers, p. 134.)

Two troops of Kentish yeomanry actually resigned because their commanding officers had voted against the Reform Bill. It was reserved for Bristol to give the country the most terrible illustration of the danger of confronting the infuriated populace by a military force which was in no mood to punish turbulence, so long as it was essential to overawe the Lords.

The Recorder of Bristol, Sir Charles Wetherell, had distinguished himself by the vehemence and ardour with which he had opposed the Reform Bill. As ill-luck would have it, he had to attend Quarter Sessions at Bristol soon after the Bill was rejected by the Lords. Sir Charles Wetherell was a stern, unbending Tory who had no patience with the mob, and he scouted the urgent entreaties of the Mayor of the city that he would postpone the Quarter Sessions till some more convenient season, when the popular fury had had time to cool. Punctually on October 29th Sir Charles made his public entry into the city. As punctually an enormous multitude assembled to give him a public reception, the like of which had never before been accorded to any
The Reform Riots were called 'The Bristol Revolution,' but were simply a revolt of the lowest stratum of society, in whom the mania for plunder superseded all political principles. Forty-five houses, the Bishop's palace, and the prisons were burnt to the ground; twelve of the rioters were killed by the soldiers; several perished in their own fires; four were hanged; thirty were imprisoned; the colonel of the troops committed suicide; and the city was mulcted in £68,208 damages."

"The lowest stratum of society "would never have got out of hand if society itself had not been in revolt against the existing order. It was no doubt the criminals who fired the Bishop's palace, but it was the disappearance of the moral pressure by which in ordinary times public opinion keeps the criminals in restraint that rendered the crime possible. A similar phenomenon is to be observed in some parts of Russia, where the bandits of society pursue their depredations with the tacit approval of the law-abiding community, who welcome everything that embarrasses the Government. Writing upon a related subject, Lord Melbourne told the King:—

"It is the public feeling which is dangerous, not the political unions. If these latter should adopt any of the measures mentioned in my former letter, such as the resistance of the payment of taxes, unless they are supported by a large proportion of the middle and even of the better classes of society, the attempt will be abortive and ridiculous. If they are so supported it is unnecessary to say how critical the state of affairs will become.—(Melbourne Papers, p. 134.)"

That the middle and better classes of society sympathised with the demand for reform no one could doubt. Newspapers appeared in mourning, and the bells of the churches rang muffled peals. Everywhere men began organising themselves into political unions which, although not armed, could easily have developed into armed forces. Earl Grey wrote to Lord Melbourne, November 16th, 1831:—

"I have been thinking a great deal about this Birmingham Union. The sort of organisation which is now proposed is not calculated for the discussion of public questions or for petitions upon them. It is of a military character, for active purposes, now alleged to be for the preservation of the public peace, but easily convertible to any other objects. Unarmed as a body, they, possess arms as individuals, and being previously formed into companies and regiments and divisions under the name of tithings, etc., they may at any moment appear as an armed and disciplined force. The danger of this I need not point out to you. The question is, how to deal with it. And I cannot help thinking that the proceeding, of which we are expecting an account from Birmingham, cannot be sanctioned by the law. You will, of course, bring under their notice the facility with which a body so organised, though not with arms in the first instance, may become an armed force.—(Melbourne Papers, p. 136.)"

The other side took alarm. The Times and the Morning Post advocated the general enrolment and arming of all the respectable classes under the title of a National Guard. Lord Melbourne wrote begging Sir F. Burdett to take no part in the formation of the London and Westminster Political Union, and on his refusal all such associations were declared to be illegal.
Parliament, which had been prorogued on the 20th of October, reassembled on December 6th. Six days later Lord John Russell introduced the Reform Bill. The second reading was carried after two days’ debate by a majority of 162. On March 22nd the Bill was sent up to the House of Lords. The Duke of Wellington stood firm, but the disintegrating influence of Royal pressure and Ministerial blandishment reinforced the grim and bloody arguments of the agitators in the country. The Thanes fled from him, and the second reading was carried by a majority of 9. Fifteen bishops voted against the Bill, but 12 voted for it.

It was, however, frankly admitted that the Bill had been spared on the second reading only in order that it might be mutilated in Committee.

By a majority of 35 the Tory Peers carried a motion to consider the enfranchising before the disenfranchising clauses of the Bill. They had been warned by the Government that such a decision would be accepted as a rejection of the measure. Undeterred by this ultimatum, they carried their amendment. As the King refused to create new peers, Lord Grey placed his resignation in the hands of the King, who at once sent for Wellington and Peel and asked them to form a Ministry. There was a hostile majority of 162 in the House of Commons. Nor was there the least chance of success if they appealed to the country. While they were deliberating, the people began to make ready the only argument which carried conviction to the Peers. If Nottingham and Bristol had not been sufficient there was plenty more to follow.

The cry rang through the country, "The Bill, the whole Bill, and nothing but the the William IV. was hissed as ho passed through the streets, and the walls blazed with insulting lampoons and caricatures. Signboards which displayed the King’s portrait were framed with crape, and Queen Adelaide’s likeness was disfigured with lamp-black. Rumours of projected riots filled the town, and whispers of a plot of seizing the wives and children of the aristocracy led the authorities to order the swords of the Scots Greys to be rough-sharpened—(Stuart Reid’s "Russell," p. 83.)

Not before time were these swords rough-sharpened, but it is easier to sharpen a sword than to make sure that its wearer will draw it against the people. There is little doubt that if the Duke of Wellington had taken office he would have had to begin by dissolving Parliament and proclaiming martial law. He would then have had to face revolutionary risings without any troops upon whom he could depend. Mr. Spalding says—

The consternation and resentment of the people were unbounded. Meetings were held everywhere to demand the recall of the Ministry; and resolutions were passed binding all present to refuse payment of taxes until the Reform Bill was passed into law. The Common Council prayed the House of Commons to refuse supplies; and the House of Commons, not to be behindhand in asserting the will of the people, adopted a humble address to the King, asking that he would "call to his councils such persons only as will carry into effect, unimpaired in all its essential provisions, that Bill for reforming the representation of the people which has recently passed this House." The people were prepared to support their words by actions. There is no doubt that if the crisis had been greatly prolonged insurrections would have broken out in all parts of the country; and it was even reported that the army could not be trusted in such an event.

Birmingham stood ready to march on London. Mr. Thomas Attwood, with 150,000 men of the Midlands, talked considerably of what they were about to do, after the manner of Birmingham. Lord John Russell consoled them by a letter in which he told them, "Our prospects are obscured for a moment, but I trust only for a moment. It is impossible that the whisper of a faction should prevail against the voice of a nation."—("The House of Lords," p. 166.)

When it was clear that the Opposition dare not assume the responsibility of undertaking to carry on the King’s Government, the King was compelled to recall Lord Grey. But Lord Grey would only take office on his own terms. The King had created sixteen peers before the second reading of the first Reform Bill, but he shrank from making as many new creations as would be necessary to break down the Tory majority in the House of Lords.

But while Majesty was deliberating, the People were getting altogether out of hand. One fine morning in May, when the citizens of London left their homes for business, they were startled by finding the whole town placarded with bills containing the imperious suggestion; "To stop the Duke: Go for Gold! "Great is the force of suggestion, and the effect multiplies with each repetition. At first only the more ardent reformers acted upon the advice. They exchanged their notes for gold, withdrew their deposits, and paraded the fact that they had done so. Soon other timid and prudent men followed their example. A run upon the banks set in which showed signs of developing into a veritable panic. "To stop the Duke: Go for Gold!" "To stop the Duke: Go for Gold! "In a few days the suggestion might have paralysed the whole vast machine of industry whose mainspring is credit. "To stop the Duke: Go for Gold! "The King gave way. The Duke was stopped. Lord Grey was told he could make as many new peers as were necessary. The run upon the banks ceased. The crisis was at an end.

Before Lord Grey consented to resume office he received in writing the following assurance from the King:

The King grants permission to Earl Grey and to his Chancellor, Lord Brougham, to create such a number
of peers as will be sufficient to ensure the passing of the Reform Bill, first calling up peers' eldest sons.—William R., Windsor, May 17, 1832.

The next day the King wrote to Lord Grey as follows:—

His Majesty authorises Earl Grey, if any obstacle should arise, during the further progress of the Bill, to submit to him a creation of peers to such an extent as shall be necessary to enable him to carry the Bill, always bearing in mind that it has been, and still is, His Majesty's object to avoid any permanent increase to the peerage, and therefore that this addition to the House of Peers, should it unfortunately become necessary, shall comprehend as large a proportion of the eldest sons of peers and collateral heirs of childless peers as can possibly be brought forward.—William R.

At the same time the King sent to the Duke of Wellington, through Sir H. Taylor, his private secretary, a significant hint that the game was up. He wrote on May 17th:—

My dear Lord Duke,—I have received the King's commands to acquaint your Grace that all difficulties and obstacles to the arrangement in progress will be removed by a declaration in the House of Lords this day, from a sufficient number of peers, that, in consequence of the present state of things, they have come to the resolution of dropping their further opposition to the Reform Bill, so that it may pass, as nearly as possible, in its present form.

Should your Grace agree to this, as he hopes you will, His Majesty requests you will communicate on the subject with Lord Lyndhurst, Lord Ellenborough, and any other peers who may be disposed to concur with you.—I have, &c. H. Taylor.

The Tory peers took the hint: the Bill, which had never technically lapsed, was taken up, and passed through Committee, about one hundred of the peers absenting themselves from the House.

The Royal Assent was given on June 7, 1832. The Duke of Wellington declared as the Bill passed its third reading in the Lords:

Reform, my Lords, has triumphed, the barriers of the Constitution are broken down, the waters of destruction have burst the gates of the temple, and the tempest begins to howl. Who can say where its course should stop? Who can stay its speed?

The seventy-seven years which have passed since then have not justified the dismal forebodings of the Duke. "Speed" is about the last word that rises to the mind of the historian who is engaged in chronicling the pace of a Reform Movement which after nearly four-score years has left the power of the Peers still intact.

Such is the story of the remarkable crisis which inaugurated the era of democratic government in Great Britain. It was the supreme object-lesson, which has never been forgotten, as to the methods that had to be employed to overcome the insistance of the Lords to any measure of popular reform. The country must be thrown into a ferment, social order must be endangered, and the nation must be brought to the verge of civil war. Then, when political passion is culminating in revolutionary violence, the Sovereign can paralyse this resistance of the Peers by the threat to create as many peers as may be needed to convert the minority into a majority. But the pot must be almost boiling over before Majesty will consent to damp down the fire.

The lesson which the nation learned from the collapse of the opposition of the House of Lords to the demands of the people was that they could extort anything they pleased from the Peers by violence and the threat of violence, but that unless they could evoke a quasi-revolutionary agitation the House of Lords would treat them with contempt.

Mr. Gladstone, in 1893, tried to inculcate a different doctrine. When the Peers threw out the Home Rule Bill, he was so far from having taken to heart the lesson of 1832, that he even deprecated "vehemence as quite unnecessary." The passage of this remarkable speech relating to this subject is as follows:—"How are we to face the situation? Of course, not by a dream of illegality in any form. Nay, more, while we abhor violence, in such a case as this I would even dissuade vehemence, which is quite unnecessary. What we want is determination—calm, solid, quiet, but fixed determination."

To this it is sufficient to remark that if the Reformers of 1832 had been so abhorrent of violence and had never dreamt of illegality, the House of Lords would have defied the nation, and the enfranchisement of the people would have been adjourned to the Greek Kalends. What carried the Reform Bill was not "calm, solid, quiet, but fixed determination," but resolute, turbulent, tumultuous demonstrations of a savage resolution to resort to revolutionary methods, of which the sack of Bristol and the burning of Nottingham Castle were but premonitory foretastes.

Chapter V.
Their Record on Reform.

There is something peculiarly offensive in the assumption of the House of Lords that they have a right to interfere in the methods by which the House of Commons is elected. Individual members of the House of Lords are expressly forbidden to interfere in the election of Members of Parliament. But collectively the House of Lords has always asserted a right to interfere in the election of the House of Commons as a whole. It might reasonably be thought that the House of Commons, and the House of Commons alone, had a right to decide questions relating exclusively to the manner in which it was elected. The Commons do not interfere in the way in which the hereditary Legislature renews itself. That is left to the Peers themselves. But the House of Lords constantly interferes in the way by which the House of Commons renews itself. Whether it is in prescribing who shall be allowed to vote, or in how they shall vote and in what constituencies, the House of Lords has repeatedly overruled the decisions of the House of Commons, although seldom, if ever, to any good purpose.

The Parliament of 1906 afforded two illustrations of this meddling usurpation on the part of the Peers. There were few questions upon which the whole Liberal party was so unanimously pledged by the constituencies as the abolition of plural voting. The watchword, "One man, one vote," had long ago been accepted by the whole of the Liberals of the country without a single dissentient voice. An overwhelming majority of the House of Commons was elected to carry out, among other things, the abolition of the plural vote. In obedience to this pledge, the Government in 1906 introduced and carried through the House of Commons a Bill which deprived the pluralists of all votes but one, leaving them the option to decide which of their many votes they desired to retain. This Bill, after an exhaustive debate in Committee, was read a third time by 333 to 104. But when it came before the House of Lords, they threw it out after a two hours' debate by 143 to 43 on the second reading. A similar course was taken with regard to the London Elections Bill in 1908.

These are the latest instances, and not the least characteristic, of the insolence of the Peers in dealing with reforms exclusively relating to the Lower House.

In the last chapter the story has been told of the desperate tenacity with which the House of Lords attempted to deny the great body of the people the right to any voice in the election of their own representatives. They yielded to terrorism and the threat of the King to swamp them by the creation of sufficient peers to overcome their opposition. The Lords did not seriously mutilate the Reform Bill of 1832. Their fear was too great. They contrived, however, to save the freemen from political extinction. This change was reluctantly assented to by the Commons, but in other respects the Bill remained unaltered. The new constituencies, thus inoculated with corruption by the express action of the Lords, never rid themselves entirely of the taint. The evidence given before the Electoral Commissions even in recent times proves only too clearly how deep the canker has eaten into the system of popular representation. For that, as for many other similar blessings, we still "thank God for the House of Lords." Unable to prevent the people from electing their own representatives, the patrons of Gatton and Old Sarum avenged their defeat by tainting at its source the fountain of popular power.

It was not merely by insisting that the freemen should remain on the register that the House of Lords provided for the corruption of the new constituencies. When the reformed House of Commons was confronted with the evidence of the corrupt practices which prevailed at the first general election after the Reform Act, its efforts to extirpate corruption were frustrated by the deliberate and persistent refusal of the Lords to assent to the remedial measures sent up to them by the Commons. The most glaring cases of corruption reported after that general election were those of Warwick, Stafford, Hertford, and Carrickfergus. The House of Commons sent up Bills to the House of Lords disfranchising the corrupt boroughs. The House of Lords refused to accept the evidence taken by the Commons, and insisted upon hearing the witnesses at the bar of the House. As a result the corruption went unpunished. The House of Commons postponed the issue of the new writs; and even of this complaints were raised in the House of Lords that they were exceeding them rights. Although gross bribery was proved to have prevailed in the peccant boroughs, it was maintained that the House of Commons ought to issue the writs, in order to make its numbers complete. But that was not all.

In the fervour of its reforming zeal, the House of Commons sent up to the House of Lords a drastic Corrupt Practices Bill—not so drastic, it is true, as Sir Henry James's Draconian Bill, but a measure which, if passed in its entirety, would have done much to check corruption. The House of Lords consented to read it a second time on condition that it was referred to a Select Committee. By this Select Committee it was completely remodelled. Said Lord John Russell: "The amendments which had been made by the Lords in this Bill were of so extensive a character as almost to render it an entirely new measure." The provisions calculated to make, it effective were struck out, and in their stead clauses were inserted giving the Peers a right to appoint five of their number to sit with seven members, of the House of Commons to try bribery cases, under the
presidency of [unclear: a] judge. The claim of the Peers to interfere with the trial of election petitions directed against the seats of members of the House of [unclear: Commons] was naturally resented by the latter Assembly, and as it was too late in the Session (August 7th) to consider what was practically a new Bill, the Commons regretfully sacrificed their Bill.

Two years later the House of Commons made another attempt to [unclear: deal] with one of the offending boroughs. Stafford was notoriously corrupt. [unclear: It] ten years it was proved that five elections had led to an expenditure of [unclear: no] less than £36,582 over a constituency of 1,270, of whom only 1,100 [unclear: cam] to the poll. A corrupt expenditure averaging £3 per voter per annum had been kept up for ten years. Direct bribery and wholesale [unclear: treatin] prevailed to a frightful extent, and the House of Commons determined [unclear: t] make an example of the borough. But they reckoned without the [unclear: Peers] Lord Ashburton protested against the idea that a borough should be disfranchised for treating—" ordinary treating "—and the Bill was thrown out by 55 votes to 4.

Twelve years later the House of Commons made another attempt to get rid of the corruption which disgraced so many constituencies. It sent up, in 1848, a Bill to the House of Lords, which ordered a Special Commission to investigate corrupt practices in constituencies where a Committee of the House of Commons reported they prevailed. As it did not reach the Lords till the 24th of August, their lordships decided it was too late to consider it, although Parliament did not rise till September, and thus another attempt to deal with the evil fell through in the Upper Chamber. Next year the attempt was renewed. A Bribery Bill was passed through all its stages and sent up to the House of Lords in time to be read a first time on July 16th. A fortnight later the Peers threw it out on the motion for second reading, chiefly on account of the "monstrous" proposition that when a man had been declared by the unanimous verdict of an Election Committee to have been guilty of bribery, he should be struck off the electoral list for the rest of his life, and another attempt on the part of the Commons to prevent corruption was thwarted in the House of Lords.

It is unnecessary to pursue this theme. Enough has been said to show that if corruption has eaten into our democratic institutions, the aristocratic branch of the Legislature is largely responsible for the failure of all the remedies devised for its extirpation. The rejection of Bribery Bills was only one method of manifesting their antipathy to cheap and pure elections. The proposal to limit the polls in counties to one day instead of two had to undergo in 1852 the ordeal of rejection by the Lords before it was passed into law.

Measures adding to the number of electors were almost always rejected. In 1837 a Bill enabling duly qualified electors to vote if they had paid up their rates to within six months of voting, instead of up to the time of voting, and another permitting electors to vote, although they had changed their residence between one registration and the other, were both rejected on the ground that they added to the numbers on the register. In 1838 the Lords proposed, by adding a new clause to a Bill sent up from below, to deprive those of the franchise who exercised it as trustees, but the Commons preferred to lose their Bill altogether rather than accept such an amendment. The tendency has always been in the same direction, and every recognition of the right to vote has been gained after successive prolonged struggles against the opposition of the House of Lords.

In 1867 the second Reform Act was passed without being first rejected by the Peers. The cause of this was the fact that a Reform Bill had already fallen through in the House of Commons, and the second Bill was introduced by a Conservative Government. But even the handiwork of Lord Derby and Mr. Disraeli could not escape the reactionary meddling of the Peers. They doubled the copyhold qualification of voters in counties, stipulated that elections should be conducted by voting-papers, and created the three-cornered constituencies. The two former amendments were struck out in the Commons, but the last was permitted to remain.

Another illustration of the attitude of the House of Lords to questions of Parliamentary reform is supplied by their treatment of the Ballot Act. Although Mr. Berkeley succeeded in carrying his resolution in favour of the ballot nearly thirty years before, the subject did not come before the Peers until 1871. Smarting under the sense of defeat on the abolition of purchase in the Army, the Lords threw out the Ballot Bill by 97 to 48. In 1872, although no additional reason had been advanced in its favour beyond the fact that there had been an autumnal agitation against the House of Lords, they read the Bill a second time by 88 votes to 58. In Committee, however, they rendered the Bill useless by making secret voting optional by 83 to 67. The opposition of the Commons led them to reconsider their position and annul their vote. The Bill ultimately became law without any further mutilation beyond an infringement of the secrecy of the ballot in the case of illiterate voters and the limitation of the Bill to a period of seven years. The same animus against secret voting showed itself the same year in the rejection outright of the proposal to elect School Boards by ballot. The majority, however, was small, and the vote a few years afterwards was annulled by the Lords at the demand of a Conservative Government.

The last great struggle between the Peers and the people took place in 1884 over the Extension of the Franchise. Mr. Gladstone's Bill, which was expected to add at least two million householders to the electorate, passed through the Commons with decisive majorities. But the Lords insisted that the measure should also
include the provisions for the Redistribution of Seats which the Government proposed to embody in a subsequent Bill. In order to meet their objections, the Government gave them an outline of the principles upon which they thought Redistribution should proceed, and they inserted a clause in the Bill providing that none of the newly enfranchised should vote before January 1, 1886, so as to guard against a dissolution before Redistribution. As the Peers were not satisfied with these safeguards, the Government made a further proposal to the effect that both Houses should unite in passing identical resolutions setting forth that they had passed the Franchise Bill in reliance on the pledges of Her Majesty's advisers to introduce the Redistribution Bill in the following year, and that these resolutions should be presented by a joint address to the Crown, so as to make it absolutely certain that Redistribution should be taken in the next Session. This also was rejected, and the House of Lords on July 8th, by a majority of 205 to 146, refused to read the Bill a second time, although they passed a resolution expressly concurring in its principle.

Then ensued a great storm of popular indignation. Mr. Gladstone sacrificed all the other measures promised for the year and announced his intention to hold an Autumn Session to pass the Bill straightway through the Commons again. A large number of meetings were held throughout the country to protest against the action of the Peers, and a huge demonstration was held in Hyde Park. "Fifty Years of the House of Lords" was widely circulated. The late John Bright said of it: "It presents a picture of class selfishness and obstinate resistance to what is liberal and just which would be astounding if we had not been so long accustomed to it."

Rival "demonstrations" in support of the Peers also took place. They were comparatively few and feeble, but they afforded Mr. Gladstone who deprecated the raising of a great constitutional question, an opportunity which he eagerly embraced of entering into an arrangement with the Opposition.

The deadlock was removed by a compromise. After the Autumn Session had begun, and the Franchise Bill had been carried through the Commons, the Government undertook to submit a draft Redistribution Bill to the leaders of the Opposition, and to move the second reading of the latter Bill simultaneously with the passing of the Franchise Bill through Committee in the Lords. These terms were accepted, and the Franchise Bill became law on December 6th.

In dealing with these two last exhibitions of the House of Lords' inaction, it is difficult to say whether they excite more indignation or contempt. For both in 1867 and in 1884 the Peers made no secret of their detestation of the enfranchisement of the working classes. In both cases they would, had they not been terrorised into submission, have rejected the Bills outright. Up to the moment of their surrender they had proclaimed aloud that they regarded the enfranchisement of the masses as the ruin of the Constitution. But in 1867 Hyde Park railings had been torn down by the workmen of London who were clamouring for admission within the pale of the Constitution, and they yielded to the menace of force what they never would have yielded to reason. Disraeli tempted them to "dish the Whigs" by taking "a leap in the dark," and they fell. What their supporters felt found indignant expression in Coventry Patmore's savage lines declaring that—

In the year of the great crime,
When the false English nobles and their Jew,
By God demented, slew
The Trust they stood there pledged to keep from wrong.

Nor was his scorn unjustified. Their leader hoisted the white flag, and almost without parley they betrayed what they described as the citadel of the Constitution into the hands of the democracy.

It was much the same in 1884. The Peers disliked the enfranchisement of the country householders as much as they disliked the enfranchisement of the householders of the towns. This time, a Conservative Government not being in office, they plucked up courage to cushion Reform by professing a burning desire to carry a Redistribution Bill at the same time as the Franchise Bill. It was a mere cloak to cover their desire to defeat the Bill. They demanded that so great a measure of constitutional reform should be submitted to the constituencies before it was passed into law. This brought upon them a memorable reproof from the Duke of Devonshire, then Lord Hartington:—

We are told that the House of Lords claims the power either to reject this Bill, to destroy this Bill, or to compel a dissolution. We do not admit that claim. It is a claim without precedent. ... I am not afraid that the House of Lords will prevail in this contest.

The contest between the House of Lords and the House of Commons is not an equal contest. The House of Commons, strong in its representative capacity, strong in the support of the great masses of the people, and strong in the undivided and indisputable control it possesses over the resources of the country, is more than a match for its opponents in the contest.—(Chatsworth Park, August, 1884.)

This claim of the Peers to insist upon a dissolution before accepting the deliberate vote of the House of
Commons as an expression of the national opinion has been raised again in even more preposterous terms. In 1884 the House of Commons was four years old. Mr. Gladstone's Government had been shaken by the Irish crisis. Bye-elections had gone against him; his majority had dwindled, and was dwindling monthly. In 1906 the House of Commons was fresh from the constituencies. The ranks of the Liberals were unbroken; their numerical strength, tested by the division lobbies, was more than double that of Mr. Gladstone in 1884; the bye-elections showed no ebb in the floodtide of Liberal enthusiasm. Yet their advocates insisted that the Government must seek a fresh verdict from the Constituencies before they could expect the submission of the Peers! Such a claim, when put forward in 1884, scandalised the constitutional soul of that stout; Conservative, Sir William Anson, who, writing thirteen years later, said:—

\[\text{In 1884 the House of Lords not only pushed to an extreme limit their legislative rights as against the House of Commons, but even encroached upon the royal prerogative in respect of the dissolution of Parliament, The question of dissolution arose from the mode in which the majority in the House of Lords identified their House with the interests of the Conservative party.—("Reign of Queen Victoria," p. 134.)}\]

The agitation against the House of Lords became so menacing that it scared the Emperors of Germany, Russia, and Austria into the Three Emperors' League to defend the monarchical principle against the expected triumph of Republicanism in England (see Hohenlohe's Memoirs, Nov. 2, 1884). It seems strange to us that the Imperial sovereigns of Europe should have entertained such a dread. But John Bright was quite right in pointing out that the action of the House of Lords might endanger the monarchy. He said:—

\[\text{What would have become of the country if the Lords—the majority of the Lords—had ruled unchecked for the last fifty years? By this time the country would have been enslaved or ruined, or a revolution would have swept them away. It might possibly have swept away even the venerable monarchy itself.—(Birmingham, August 4 1884.)}\]

There was a good deal of plain talking in those days by Liberal leaders, especially by Mr. Chamberlain. If Mr. Bright, then his colleague in the representation of Birmingham, could say:—

\[\text{Unless English freedom be a fraud and a sham, the English people will know how to deal with a titled and hereditary chamber whose arrogance and class-selfishness have long been at war with the highest interests of this nation.—(Manchester, July 26, 1884),}\]

Mr. Chamberlain capped his most vigorous invectives. Here, for instance, are three samples of the rhetoric of Mr. Chamberlain when he was on the war-path against the House of Lords in 1884:—

\[\text{During the last hundred years the House of Lords has never contributed one iota to popular liberties or popular freedom, or done anything to advance the common weal; and during that time it has protected every abuse and sheltered every privilege. It has denied justice and delayed reform. It is irresponsible without independence, obstinate without courage, arbitrary without judgment, and arrogant without knowledge.—(Birmingham, August 4, 1884.)}\]

We are in favour of government of the people, by the people, and for the people, and we repudiate the presumptuous claim to usurp the prerogative of the Crown, to degrade the House of Commons, and humiliate all who bear the name or claim the rights of free men. We grudge the Lords nothing that rightly belongs to them, nothing they can enjoy without injury to others—their rank, their titles, their Stars and Garters, any influence which their personal qualities can gain them, any power that they may secure by long prescription and high station; but their claim to dictate the laws which we shall make, the way in which we govern ourselves—to spoil, delay, even reject, measures demanded by the popular voice, passed after due discussion by the majority of the people's House, and receiving the sanction and confirmation of popular Assemblies such as these—is a claim contrary to reason, opposed to justice, and which we will resist to the death.—(Hanley, October 7, 1884.)

\[\text{Are the Lords to dictate to us, the people of England? Are the Lords to dictate to us the laws which we shall make, and the way in which we shall bring them in? Are you going to be governed by yourselves? Or will you submit to an oligarchy which is a mere accident of birth? Your ancestors resisted kings, and abated the horde of monarchs, and it is inconceivable that you should be so careless of your great heritage as to submit your liberties to this miserable minority of individuals who rest their claims upon privilege and upon accident. ... In the meantime, what mischief has been wrought, what evils have been developed, that might have been stayed in their inceptions, what wrongs have been inflicted and endured that ought long ago to have been remedied!... But the cup is nearly full. The career of high-handed wrong is coming to an end. The House of Lords have alienated Ireland, they have oppressed the Dissenters. ... We have been too long a peer-ridden nation, and I hope you will say to them that if they will not bow to the mandate of the people, that they shall lose for ever the authority they have so long abused.—(Denbigh, October 20, 1884.)}\]

Mr. Gladstone, as we learn from Lord Morley's book, was alarmed at the growing agitation. He did his best to damp it down. The Lords on their part intimated their readiness to accept an even more democratic Redistribution Bill than that which the Liberals had contemplated if they were but provided with a golden
bridge to retreat from their dangerous position. To the no small indignation of the Radicals, Mr. Gladstone consented to provide that bridge. The Peers agreed to the enfranchisement of the county householders and to the introduction of single member constituencies, providing that their face was saved by an arrangement which would enable them to say that they had carried the technical point of dealing with both questions at once. Mr. Gladstone, who was always open to bargains of that sort, jumped at the offer, and the crisis was promptly ended.

Chapter VI.

Lords as Landlords.

What is the House of Lords? Primarily it is a House of Landlords. The landed system of this country was created in order to make the Peers the owners of the soil and the lords of the land. It has done its work. According to Lord Derby's return of 1874-5, 525 peers own one-fourth of the land of England. The average area of each peer is about 38,000 acres (Dukes, 142,564; Marquesses, 47,500; Earls, 30,217; Viscounts, 15,324; Barons, 14,152 acres.—Arthur Arnold's "Lords as Landlords," p. 55).

This is no natural growth. It has been artificially fostered for nearly nine hundred years. The landed system exists to maintain the House of Lords, and the ultima ratio of the House of Lords is to maintain the landed system. The House of Lords is a mere Tory caucus for all other purposes of legislation. But it will defeat even a Tory Government when it attempts to reform the landed system. To the Peers there is one thing only that is more sacred than the interests of the Tory party. That is its own interests in the land.

Of this the most recent illustration was afforded in the year 1889, when Lord Salisbury implored their lordships to pass his Land Bill.

A measure which will conduce largely to the happiness of the people of this country, and largely also to the prosperity of the owners of land, which will remove one of the great causes of odium from our present landed system, and one that threatens its existence. Wo earnestly ask you not to take from us the power of carrying this beneficial reform into law, and not to place upon the House the ominous responsibility of standing between the people of England and this great advantage.

It was not a very drastic Bill. It provided for compulsory registration, for putting the title within five years on the register, and for the assimilation of real and personal estate by abolishing the law of primogeniture and entail. It was introduced in 1887, and withdrawn. It was reintroduced in 1888, and withdrawn again. In 1889 it was introduced a third time, and was thrown out by 123 votes to 113, on an amendment refusing to abolish primogeniture and entail. After that Lord Salisbury desisted from further efforts.

The Lords, therefore, stand accused, Lord Salisbury himself being witness, of standing between the people of England and a great advantage which would have contributed largely to their happiness. It is an ominous responsibility. But they assumed it after full and impressive warning from the Tory Prime Minister. It is now full time that they were called to account.

It is written in the book of the prophecies of Isaiah, "Woe unto them that join house to house, that lay field to field, till there be no place, that they may be placed alone in the midst of the earth! (ch. v. 8).

The process upon which the Hebrew prophet placed the curse of the Almighty is that which our landed system has invented, and which it is maintained to facilitate and to encourage. It is now bearing its natural fruits in the depopulation of rural England. And it will go on bearing them until the House of Lords is destroyed.

The Lords and the land system are Siamese twins. The death of one entails the death of the other. Hence to get at the vitals of the hereditary legislature strike at the land! That is the secret of the Budget.

There have been comparatively few collisions between Lords and Commons on the land question. The Commons have for the most part, down to quite recent times, recognised that the landed system was so bound up with the House of Lords that it was useless to attack it. In 1893, when a Liberal Government sent up a Bill for the abolition of the law of primogeniture, it was promptly rejected. A House which refused to listen to Lord Salisbury was not likely to hearken to anyone else. Pleading for this Bill, Lord Herschell asked them: "In the case of a man with a very small amount of real property, dying and leaving children, the whole goes to the eldest son. Can it be seriously contended that the eldest son should have all, and the widow and the younger children should have nothing? "To which the permanent Tory majority promptly replied by their vote rejecting the Bill. Yea, verily, widows and younger sons are nothing to us! Are we not all men and the eldest sons of eldest sons? In 1896 the Peers mutilated the Irish Land Bill of the Conservative Government. The revolt did not last long. Although the matter concerned the land, the revolters soon came to heel, and the Bill passed as the
Unionist Government framed it.

The estates of the Peers, which were originally of considerable size, being granted them in order that they might equip soldiers and maintain the King’s authority in the land, have steadily grown under the influence of laws passed by the Peers for the aggrandisement of their order. Large estates are continually eating up smaller holdings. The process, partially economic, has been stimulated by the law. To maintain the landed interest was a settled principle of public policy. The House of Lords itself is a constant incentive to the laying of field to field. For the wealthy man anxious to force his way into that assembly naturally sets about the accumulation of landed property. By the operation of Enclosure Acts in the thirty years between 1844 and 1874, over five millions of acres were enclosed, the most of which went to swell the acreage of peers and expectant peers. At present it is estimated that four-fifths of the land of England is held by from 5,000 to 10,000 persons. Here, then, is a gigantic trust in the hands of a syndicate of irresponsible individuals who have absolute control of one branch of the legislature. As legislators the Peers help themselves as landowners. As landowners they use their influence to help to maintain the authority of the Peers.

The operations of this gigantic trust controlling four-fifths of the land and one-half of the legislature affect all departments of national life. To quote Arthur Arnold:—

Look at the railway system! If that system had not been unduly burdened by an amount exceeding £50,000,000 by the prejudice and power of the Lords, agriculture might have had less reason to complain of railway rates, and the industry of the country would have been spared a burden it must now sustain. The Peers were the tribunal in their own case. Take an example, in the matter of land only, as narrated by Dr. Smiles in his "Lives of the Engineers." When the London and Birmingham Railway Bill passed the Commons and went to the Lords, committees were open to all peers, and the promoters of the Bill found to their dismay many of the Lords who were avowed opponents of the measure as landowners sitting as judges to decide its fate. The Bill was thrown out. The promoters forthwith made arrangements for presenting the Bill in the next Session. Strange to say, the Bill then passed almost without opposition. An instructive commentary on the way in which those noble lords had been conciliated was the simple fact that the estimate for land was nearly trebled, and that the owners were paid about £750,000 for what had been originally estimated at £250,000.—(Arthur Arnold’s Lords as Landlords," p. 65.)

This exaction of £500,000 may not have been bribery. It is more like blackmail. The Bosses of many an American city would turn green with envy at such a spectacle of successful "sandbagging." "Graft" to the tune of £500,000 looted under a single Bill is surely a record even in these modern days of civic larceny.

The story of how the landlords, aided and abetted by the House of Landlords, worked the legislature to advance them on loan money for drainage, the whole cost of which, and more in many cases, they charged upon their tenants, can only be alluded to here. These things are the natural result of the exceptional position of the Lords in the legislature. "They were, I suppose," says one of their critics, "guided by the belief that a hereditary aristocracy is necessary for the public welfare." How could they think otherwise? The whole social system in feudal England, nay, the military and judicial system also, was based upon the supposition that the Lord was the lynch-pin of the universe. In process of time the Lord has lost most of his social, political, administrative and judicial functions. But in his legislative capacity he represents a survival from an earlier age, and he is not to be blamed if he should regard himself and his Order as the objects for the maintenance of which the world and all the things that are therein were created by a beneficent Providence, whose fundamental idea was the indispensability of the landed aristocracy. It is an archaic anachronism. The existence of the House of Lords naturally and inevitably creates this false perspective in the minds of its members. The supremo end, the preservation of their Order, justifies in their minds the use of any means, even, as we have seen in the case of the Trades Disputes Bill, what they declared to be the betrayal of liberty and the highest interests of the community. It is not their fault. It is inevitable that they should think and act as they do. The instinct of self-preservation is omnipotent.

The aggregation of land, by which huge estates tend ever to become huger, has been fostered by a landlord-ridden legislature. "Entails were intended for the preservation and aggrandisement of a great feudal aristocracy." Up to forty years ago it was recognised as an axiom of the policy of the governing families to preserve, as Lord Palmerston put it, "as far as possible the practice of hereditary succession to unbroken masses of landed property." This object, Mr. Fyffe informed the Committee on Small Holdings—

Has been carried out by legislation both directly and indirectly. It has been carried out directly by the Law of Settlement, and indirectly by other measures, all having as their chief object the avoidance by the landowners of the necessity to sell. This object has been kept in view in the following among other instances. First, in the different taxation of real and personal property at death, as amended by Sir W. Harcourt in 1891; second, in the law of primogeniture in cases of intestacy; third, in the principle that everything attached to the land becomes the landlord’s property; fourth, in advances made by State and for improvements; fifth, in the difference between the publicity given to bills of sale and the secrecy observed in regard to mortgages.
In dealing with other heads of the indictment against the House of Lords particular cases have been cited in which they opposed the will of the nation, and retarded progress by the rejection or mutilation of certain specified measures. With regard to the land, the indictment is based not upon particular instances; it rests upon the uniform, consistent logical practice of the House of Lords since it came into being. Its monument is the land system, under which ten thousand persons own four-fifths of the soil of the country. A system which, as has been shown, Lord Salisbury regarded as being in its present unreformed state an obstacle to the happiness of the people of this country.

So long as the influence of the House of Lords was paramount to the legislature of the country, "the distinct object of legislation," as the Committee on Small Holdings reported in 1890, "was to prevent the dispersion of large estates." But it was then "agreed that a numerous and prosperous peasantry is a condition of national safety, and that the more general distribution of ownership of land in Great Britain would lead to the security of property and to the contentment of the population." But the same Committee reported that owing chiefly to the laws of settlement and entail and the law and practice relating to enclosures, there has been a considerable diminution both in small agricultural ownerships and tenancies, and they therefore recommended legislation to check this fatal shrinkage. The result was the Small Holdings Act of 1902. But the inverterate custom set up by the legislation of centuries was too strong to be arrested by that measure, the feebleness of which was like that of all similar legislation—largely due to the fact that no statesman who desired to achieve and practical reform would venture to propose any scheme of land reform which he knew in advance would be rejected by the House of Lords. The report of the Departmental Committee on Small Holdings, presented at Christmas, 1906, reports the consequent failure of the Act, and recommends further legislation. There will be no land legislation worth the name until there is a sufficient agitation in the country to appeal to what Lord Kimberley once described as "the cowardly fears" of the Lords.

Any popular movement against the House of Lords, no matter how it may be initiated, will inevitably find itself compelled to take up the Land Question. Hence noble Lords who obeyed the Bishops in rejecting the Education Bill have found that they gave a powerful impetus to an attack upon the monopoly of land, which is the basis and secret of their power. "I freely own," Mr. Gladstone said in 1889, "that compulsory expropriation (of landowners) is a thing which is admissible and even sound in principle." The taxing power which is the exclusive monopoly of the Commons will probably be found to be sufficiently efficacious to bring the Lords to reason.

The House of Lords question is at bottom the land question, and land reformers of all shades who are in serious earnest have now discovered that it is sound policy to sink their differences and unite in a great combined attack upon the common enemy.

In this connection, and as illustrating the spirit in which the House of Lords deals with questions relating to land, may be noted their malignant opposition to the preservation of commons. They mutilated the first Commons Preservation Act of 1866 by limiting it to commons round London. They rejected the second measure in 1872 on the ground that it was an invasion of the rights of the property vested in the Lords of the Manor. In 1876, when a Tory House of Commons sent up a Commons Bill, the Lords struck out the clause providing for allotments and recreation grounds, and so "amended" the Bill that it was complained that "all protection against illegal enclosures was taken away." Two years before, they rejected a Bill giving labourers a legal right to rent charitable lands in allotments. In 1882 they amended the Charity Land Bill so as to make it practically useless to agricultural labourers. Five years later they threw out the Agricultural Labourers' Holdings (Scotland) Bill.

The Lords accepted the Agricultural Holdings Bill of the Government in 1906, timidly making some amendments, with which the Commons disagreed; and they also accepted the Irish Town Tenants Bill, which grievously impaired the ancient oppressive "rights" of the landlords. It is an ill wind that blows nobody any good, and the Peers, having spent their strength in rejecting the Education Bill, deemed it safer not to risk any further exercise of their authority. They showed much less consideration for the rights of the tenants when in 1883 they mauled and mutilated Mr. Gladstone's Agricultural Holdings Bill. Three years later they "amended" in like fashion the Scottish Crofters Bill.

But these are only straws showing the direction of the current. The whole course of land legislation in England from the days of the Conqueror downwards has been legislation by the Lords, for the Lords, and through the Lords. And as it has been, so it will be as long as the House of Landlords is allowed to possess a veto upon all the decisions of the representatives of the people. In Mr. Morley's phrase, "It is not a Senate, it is a privileged interest."

Yet another reason for objecting to the House of Lords is to be found in the fact that although personally the Peers are free from the stain of corruption, collectively they are as corrupt a legislative body as is to be found in the world. Mr. Morton, M.P., speaking at Portsmouth, February 13th, 1891, put this charge in plain words:—
The Lords uniformly used their political position to further their personal pecuniary interests. Why was it that they threw out the principle of Betterment? For no other reason than that many of them were pecuniarily interested in the ground rents of London. But who were the Peers that had led to the mutilation of the Employers’ Liability Bill? They were Lord Dudley and Lord Londonderry, the largest coal owners in the country. Why is it that they had never been able to solve the Land Question in England? Simply because the Lords were also the landlords. It was the duty of the people of this country to see that a final stop was put upon these fraudulent proceedings.

If the rule were enforced that no legislator should speak or vote on any question in which he was financially interested, how many of the Lords would be left to deal with Land Bills?

In 1898 the consent of the Lords to the passing of the Irish Local Government Bill was purchased by an agricultural dole, of which £300,000 went straight into the pockets of the Irish landlords. Mr. Thomas Shaw, the late Lord Advocate, denounced the arrangement as being in the nature of a corrupt bargain, productive of much social mischief, if not of social disorder. Mr. Dillon described it as a flagitious waste of public money, but said that although it was a scandalous arrangement he would rather pay the price than lose the Bill. Part of the price was the equivalent in the shape of rate reduction of a perpetual annuity of £858 to the Duke of Devonshire and £788 to Lord Lansdowne, who were at that time both members of the Government.

The fiscal policy favoured by the Peers was admittedly based upon self-interest. They refused to condemn the Corn Laws because dear bread meant high rent, and they naturally regarded Cobden and Bright as the enemies of the human race. As they were in 1839, 1840, 1842 and 1843, so they are to-day.

This has come out very clearly in the raging of the Dukes and their satellites against the Budget of 1909. Mr. Lloyd George carried that measure through the House of Commons after seventy-two sittings, scoring a majority of 230 on the third reading. The Lords rejected it by 350 votes to 75, not because they denied the need of raising the money voted by the Commons, but because it proposed to value their land, to tax 20 per cent. of their unearned increment, and to levy ½d. in the pound on the value of their undeveloped estates. This they denounced as Socialism, forgetting that the King, when Prince of Wales, sitting as a member of the Royal Commission on the Housing of the Working Classes, signed a Report recommending the taxing of undeveloped land.

"If this land (the Commissioners say) were rated at, say, 4 per cent. on its selling value, the owners would have a more direct incentive to part with it to those who are desirous of building, and a twofold advantage would result to the community.

"First, all the valuable property would contribute to the rates, and thus the burden on the occupiers would be diminished by the increase in the rateable property.

"Secondly, the owners of the building land would be forced to offer their land for sale."

"Your Majesty's Commissioners," the paragraph concluded, "recommend that these matters should be included in legislation when the law of rating comes to be dealt with by Parliament."

But despite the recommendations of Royalty and of Royal Commissioners nothing was done until Mr. Lloyd George took the matter in hand. Whereupon the House of Lords promptly threw the Budget out. They did so for the same reason that Mr. Lloyd George proposed to pass it. The Chancellor of the Exchequer, in the preface to his "Budget Speeches," says:—

The greatest provision of all for unemployment, in my judgment, is contained in the Land Clauses of the Budget. Those provisions must have the effect eventually of destroying the selfish and stupid monopoly which now so egregiously mismanages the land. Only the business community in this country, and those who have been associated with it all their lives, can fully appreciate the extent to which the present ownership of land hampers and embarrasses trade and industry. Ask any man with a growing business in town or village in this country, and he will tell you more than all the theorists and agitators in Europe about the mischief done by the unintelligent greed of some of the land-owning classes. It is not merely that extravagant prices are demanded and impossible conditions imposed; but what a business man minds even more is that an atmosphere of uncertainty is created by the powers of incessant interference and inquisition reserved for the landlord and his agents. The Budget strikes the first real blow at this mechanism of extortion and petty persecution. No class of the community will have greater reason to feel joy at the triumph of the Budget than the men engaged in putting their best quality of mind and morale into the building up of the commercial greatness of our nation.

Chapter VII.

The Lords and Finance.
The Peers have constantly attempted to encroach upon the prerogative of the Crown and the privileges of the Commons. So far from accepting the subordinate position to which they were reduced by the catastrophe of 1832, they have persistently, stealthily, and not altogether unsuccessfully endeavoured to regain some of their forfeited power. They have attempted to usurp the Royal prerogative by attempting to dictate the proper moment for a dissolution of Parliament, and they have defied the authority of the Crown in refusing to allow it to exercise its ancient and heretofore unquestioned right to create life peers. Writing about the action of the House of Lords in the case of the Wensleydale life peerage, Edward A. Freeman, the eminent historian, whose authority is second to none on such a question, used the following emphatic language:—

The right of the Crown to create peers for life only had never been surrendered, never abolished, never doubted. But it had gradually gone out of use. It was at last exercised again in our own time, or, more truly, an attempt which was strangely unsuccessful was made to exercise it. The circumstances under which it was made were highly instructive. They show to what a height of presumptuous aggression the new element in the House, the hereditary element, had grown. I refer to the peerage granted to Lord Wensleydale. That eminent lawyer was, according to a crowd of ancient precedents, created a peer for life only. He had no children, so that the question was not a practical one; it was simply that this occasion was chosen to assert an ancient and wholesome principle. But with matchless impudence the hereditary peers, in defiance of precedent, in defiance of law, in gross contempt of the lawful authority of the Crown, refused to let Lord Wensleydale take his seat in the House. And they were led by newly-created lawyers who assuredly knew that they were acting against law. . . The Crown yielded its ancient and undoubted right; Lord Wensleydale, lawfully summoned to Parliament, was shut out from his seat until the new patent was granted securing the seat after him to the descendants who were not in being.

Presently, be it remembered, the hereditary peers had to submit to receive colleagues whose blood had not been ennobled. In full agreement with ancient law and usage official law lords not holding hereditary peerages but truly representing the ancient Witan of the laud now sit and vote in the House which refused a scat to Lord Wensleydale. The grotesque pride of the hereditary peers has surely received a little shock by their presence.

They have encroached upon the privileges of the Commons in their repeated attempts to meddle with questions of finance. But all the best constitutional authorities, all the great statesmen of both parties, have always asserted that the House of Commons, and the House of Commons alone, controls all questions of finance. Mr. Balfour himself has declared that "you all know the House of Lords does not interfere with the financial policy of the country. He has told us: "We all know that the power of the House of Lords, thus limited, and rightly limited, as I think, in the sphere of legislation and administration, is still further limited by the fact that it cannot touch those money Bills which, if it could deal with, no doubt it could bring the whole executive machinery of the country to a standstill."—(House of Commons, June 24, 1907.) Again he said: "It is the House of Commons, not the House of Lords, which settles uncontrolled our financial system."—(Dumfries, October 6, 1908.) For centuries it has been a settled rule of constitutional law that the initiative in matters of finance lies with the House of Commons. The Peers may not vote money, nor may they meddle with the amount or sources of the supplies granted by the House of Commons.

This privilege of the Commons dates back for nearly six hundred years. In 1640 the House of Commons declared:—

We have had uninterrupted possession of this privilege (the privilege of the undisputed control over the taxation and finances of the country) ever since the year 1407, confirmed by a multitude of precedents both before and after, not shaken by one precedent for these three hundred years.

In 1671, when the House of Lords proposed to reduce the duty on white sugar from one penny to five-eighths of a penny in the pound, the Commons passed a resolution that:—

In all aids given to the King by the Commons, the rate or tax ought not to be altered by the Lords.

At a conference with the Lords they declared that the right they claimed "was a fundamental right, both as to the matter, the measure, and the time." The Lords, they said, could throw out a money Bill, but not amend it. The Lords retorted by passing a resolution asserting their right to do as they pleased. They said:—

If we cannot amend, or abate, or revise a Bill in Parliament, if we cannot amend, or abate, or alter in part, by what consequence of reason can we enjoy the liberty to reject the whole?

Seven years later the House of Commons passed a famous resolution, which ever since has formed the fundamental law governing all the proceedings between the two Houses in matters of supply. It was declared in a resolution voted by the House of Commons as far back as 1678:—

that all aids and supplies and aids to his Majesty in Parliament are the sole gift of the Commons, and all Bills for the granting of any such aids and supplies ought to begin with the Commons; and that it is the undoubted and sole right of the Commons to direct, limit, and appoint in such Bills the ends, purposes, considerations, conditions, limitations, and qualifications of such grants, which ought not to be changed or
The Lords did not venture to reject the Bill repealing the Corn Laws, although it was passed by a Parliament elected by a majority of Protectionists. Their right to reject a finance Bill was carefully identified with the right of the Sovereign to refuse his assent. Their assent, like the King's, was purely formal. As Pitt, afterwards Lord Chatham, said:—

"Taxes are a voluntary gift and grant of the Commons alone ... In legislation the three estates are alike concerned, but the concurrence of the Peers and the Crown to a tax is only necessary to clothe it with the form of a law. The gift and grant is of the Commons alone. We represent the rest of the inhabitants. When, therefore, in this House of Commons we give and grant, we give and grant what is our own. The distinction between legislation and taxation is essentially necessary to liberty."

The Peers never ventured to reject a money Bill until 1860. Then they refused to pass the Bill repealing the paper duty. If Mr. Gladstone and Mr. Bright had not been in the House of Commons, the Lords would have succeeded in establishing a precedent fatal to the most ancient fundamental privilege of the House of Commons. Lord Palmerston, then Prime Minister, was more than inclined to betray his trust. But Mr. Gladstone retorted to this coup d'état by combining for the future all the financial proposals of the House of Commons in one Bill, so that the Lords could not reject them without dislocating the whole administration of the country. Lord Morley says:—

"This was the affirmation in practical shape of the resolution of the House of Commons in the previous year, that it possessed in its own hands the power to remit and impose taxes, and that the right to frame Bills of supply in its own measure, time, and matter is a right to be kept inviolable. ... By including all the taxes in a single, finance Bill, the power of the Lords to override the other House was effectually arrested."

Speaking at Edinburgh, September 27th, 1893, on the consequences of this change of procedure, Mr. Gladstone said:—

"The House of Lords during those two-and-thirty years has been absolutely excluded from all influence whatever upon the finances of the country. It was an abridgment of their province, and that province need never have been abridged if they had acted in if with discretion. But they chose to be attracted by circumstances of momentary difficulty, which they thought they could turn to their account, and the result has been the permanent loss and destruction of a cherished and an important prerogative."

That was Mr. Gladstone's opinion. It was not the opinion of Sir W. Harcourt's Death Duties Bill came up to the House of Lords, [unclear: Lord] Salisbury denied that the Peers were constitutionally compelled to give [unclear: a] formal assent to money Bills. Lord Salisbury quoted as a precedent [unclear: the] fact that Lord Derby had moved an amendment to a money Bill [unclear: which] however, was rejected by a majority of 32. In the discussion that followed Lord [unclear: Herschell], then Lord Chancellor, drew attention to the very [unclear: important] fact that the Judicial Committee of the Privy Council had formally [unclear: decided] and Her Majesty in Council had approved the decision, that the House [unclear: o] Commons has the sole gift of all aids and supplies and the undoubted [unclear: and] sole right to direct, limit, and appoint the Bills of aid and supply, the [unclear: end] purposes, considerations, conditions, limitations, and qualifications of [unclear: such] grants, which ought not to be changed or altered by the House of [unclear: Lords] The question arose from a dispute between the two branches of the Queens land legislature, in which both agreed to refer the question for settlement [unclear: o] the common ground that they held and discharged relatively to one [unclear: anothert] positions and functions analogous to those of the House of Lords an! House of Commons.

This judicial decision is important at this crisis, and should not be [unclear: los] sight of.

The Lords have, notwithstanding, made repeated attempts to [unclear: chang] and alter the conditions, limitations, and qualifications of money grants.

When the Parish Council Bill was before the House of Lords, in [unclear: 1894] the Peers ventured upon an encroachment of the privileges of the Common by amending the clause throwing the expenses of the Parish Council and of the parish meeting on the poor rate, so as to compel the Parish Council to levy its own rate. The Speaker said: "I think in this case an [unclear: infring] [unclear: ment] of the privileges of the House has been committed;" and he [unclear: adde] that if the Minister in charge of the Bill had not risen, "I should, as [unclear: the] guardian of the privileges of this House, have asked the House to [unclear: pa] these amendments over as an infringement of the privileges of [unclear: th] House."

Three years later, the Conservatives being in office, the new [unclear: Lo] Chancellor, Lord Halsbury, stood up as the champion of the exclusif right of the Commons to deal with finance. The question arose [unclear: o] April 2nd, 1897, on certain amendments proposed by Liberal peers to [unclear: th] Voluntary Schools Bill of that year. One of these amendments, which stood in the name of Lord Spencer, proposed to define the kind of Voluntary school which should receive the grant of public money. Another, in the name of Lord Kimberley, had reference to the constitution of the Associations to which were entrusted the spending and
allocation of the money. Before either of these was moved, Lord Halsbury intervened with an objection that these and all other amendments of this class infringed the privileges of the Commons. He read to the House the well-known passage from Sir Thomas May, which lays down that "all aids and supplies, and aids to His Majesty in Parliament, are the sole gift of the Commons," and that "it is the undoubted and sole right of the Commons to direct, limit, and appoint in such Bills the ends, purposes, considerations, conditions, limitations, and qualifications of such grants, which ought not to be charged or altered by the House of Lords." Having recited this with a solemnity which is not yet forgotten by those who heard him, Lord Halsbury went on to say that, though the Lord Chancellor had no right to decide questions of order in the House of Lords, he should, if he had that right, summarily rule these amendments but of order; and then, when a mild objection was made by Liberal peers to the application of this doctrine in the particular case, he [unclear: proceeded] to argue very energetically that there could be no doubt. Lord Spencer's amendment, he said, "adds a condition to the grant of money which is within the express language of the protest of the House of Commons." The same argument manifestly applied with even greater [unclear: orce] to Lord Kimberley's amendments, and after a further brief argument [unclear: hey] were withdrawn.—(Hansard, Fourth Series, vol. xlviii., fourth volume [unclear: of] Session 1897.)

Notwithstanding this parade of unctuous rectitude the same Lord Chancellor was party four years later to a flagrant evasion of the [unclear: privieges] of the Commons. It took place in connection with the amendments made in the Education Bill of 1902, by which the Lords imposed the cost [unclear: of] providing for the wear and tear of denominational schools upon the ates. A less subservient House of Commons than that elected in the [unclear: Khaki] delirium of 1900 would have made short work of this usurpation. As things were the Commons waived their privilege and accepted the [unclear: mendment]. In the Education Bill of 1906, the Lords' amendments were [unclear: many] of them trespasses upon the privileges of the Commons and would [unclear: have] been so ruled out by the Speaker had they been discussed in detail [unclear: stead] of being rejected en bloc.

All their other offences are, however, thrown into insignificance by [unclear: heir] rejection of the Budget of 1909. This was an unprecedented act [unclear: of] usurpation as against the Commons, of rebellion as against the King. Never before in the whole history of Parliament had the Lords dared [unclear: o] refuse supplies to the King which the Commons had voted in response [unclear: o] his appeal. The facts are simple. It is common ground to both [unclear: arties] that additional taxation must be imposed to meet a deficit of £16,000,000, £8,000,000 being due to Old Age Pensions, and £3,000,000 to [unclear: n] increase in Naval expenditure. The King asked the Commons to [unclear: ovide] the money. The Commons did so provide it. But the House [unclear: f] Lords, by 350 to 75, usurped the authority of the Commons and refused [unclear: upplies] to the Crown. This action of the Peers has hitherto been [unclear: disussed] as if it were merely an interference with a money Bill, on all [unclear: urs] with their rejection of the Bill repealing the Paper Duty. This true, so far as the privileges of the House of Commons are concerned. It is the reverse of truth so far as the question relatos to the King. Heinous as has been the action of the Peers in trampling on the privileges of the Commons, their action has been much more heinous when it is regarded in its bearing upon the Sovereign. For by their vote rejecting the Budget 350 Peers of the Realm have refused Supplies to the King, a proceeding which has always been regarded as almost equivalent to a declaration of war upon the Sovereign, an act of rebellion against the Crown. If this be so, it is a grave question whether the 350 are not rebels and traitors, whose proper place is the Tower. Certainly some of their ancestors lost their heads for treason less heinous than this.

Chapter VIII.

The Lords and Labour.

Speaking of the House of Lords at Edinburgh in 1894, the late Lord Salisbury made a memorable confession. He said—

"We belong too much to one class, and the consequence is that with respect to a large number of questions we are all too much of one mind. Now that is a fact which appears to me to be injurious to the character of the House as a political assembly.

"Too much of one class," indeed! The House of Lords is the central citadel of class interest. Under no conceivable circumstances can any representative of the industrial classes cross the sacred portals of the Gilded Chamber.
The House of Lords first showed its antagonism to the interests of labour very early in the session of 1906 by throwing out a small Bill passed almost unanimously through the House of Commons prohibiting the importation of alien labourers from abroad in the course of an industrial dispute. The Lords did not venture to throw it out on its merits. They invented the hollow pretext that they ought not to pass such a Bill demanded by the unanimous vote of the representatives of the people because it was not forsooth a Government measure! Any stick is good enough to beat a dog.

In thus thwarting the popular will and in rejecting a measure specially promoted by the Labour party, they acted in entire accordance with their inden hereditary and traditional practice. It might naturally be supposed; that the peers who have boasted that they were "the hereditary tribunes of the poor," would, if only from their antipathy to landlords and manufacturers, have sedulously supported the cause of labour against the exactions of capital. Such, however, has not been the case. In 1842 they began their operations by mutilating the Mines Regulations Bill in the interests of the colliery owners. Lord Shaftesbury (then Lord Ashley) declared they had "invalidated the principle of the Bill, and rendered it [unclear: inoperative]." “I have never seen,” he added, "such a display of selfishness and frigidity to any human sentiment.” The safeguards provided against the excessive toil of young children in mines were weakened, and it was thirty years before the mining population was able fully to secure that protection for life and limb to which the Commons admitted they were [unclear: entitled] as far back as 1842. Eighteen years after this first interference of the Peers with the efficient regulation of mines, the House of Lords weakened the provisions inserted by the Commons in the Mines Regulation Bill of 1860, intended to secure the children of the mine the educational [unclear: abilities] enjoyed by the children of the factory. Twelve years more had [unclear: o] elapsed before the Peers could be induced to pass an adequate measure or the education of the pit-boys.

The same grudging spirit was shown in 1880, when the Employers' [unclear: Liability] Bill was under discussion. The Lords limited its operation to two years instead of seven, and struck out, on the motion of Lord Brabourne, the clause which made employers responsible for the acts of those to whom they delegate their authority. The Commons restored the clause, but the rejected "Lords' amendments" remain on record as [unclear: an] illustration of the views of the Upper Chamber. The Lords also struck seamen out of the Bill and limited the amount of compensation to he paid.

In 1893 the Liberal Government brought in their Employers' Liability Bill.

This is what the Government Bill did:—

- It made the crooked ways of the Act of 1880 straight;
- It abolished the doctrine of common employment;
- It extended the operation of the Act of 1880 to everyone acting under a contract of service;
- It brought in sailors and firemen who had been shut out before together with the workmen in Government works, and many other classes of workers;
- It made the contractor responsible for accidents in place of the sub-contractor, who had been used in the past to "contract" the [unclear: contractor] out of bis liability;
- It swept away the regulation that notice of action must be [unclear: brough] within six weeks of an accident;
- It abolished the limitation of three years' wages as the maximum that might be claimed under the Act, leaving it to the jury to give exactly what damages they pleased.

When that measure was passing through the Commons in November 1893, Mr. McLaren moved an amendment allowing those firms and [unclear: thei] workmen who had already made mutual arrangements for insurance, [unclear: t], "contract out" of the Bill, 011 a two-thirds ballot of the workmen being cast for this course. The amendment was defeated by 236 votes to 217.

Next month the Lords inserted an amendment, by 148 votes to 28 giving with specified safeguards the liberty of contracting out, not only [unclear: t] firms who had already made insurance arrangements with their workmen but also to any firms who might make such arrangements hereafter.

This was struck out in December by the Commons by 213 to 157. [unclear: I] January it was reinserted by the Lords. In February the Commons [unclear: struc] it out once, more by 219 votes to 197, but carried only by a majority of a concession postponing the enforcement of the measure in the case existing insurance arrangements for three years. The Lords rewarded [unclear: th] concession by insisting on their old amendment. The Commons refuse to pass the Bill with this clause, and it was accordingly discharged.

The Trades Union Congress Parliamentary Committee and the [unclear: Lond]. Trades Council issued a manifesto declaring that the Lords [unclear: amendment] rendered the Bill "entirely worthless from the workers' point of view. The manifesto proceeded—

We now appeal to you to say whether you will thus continue to allow the House Lords to block the path of your industrial progress, as well as to render insecure [unclear: yo] selves and limbs when toiling from day to
day to enrich them and the nation. If [unclear: it] thus possible for the House of Lords to continue to thwart the voice of the constituency and reject every measure except those which are in accord with its interest a sympathies, the time has come when the House of Commons should be dismissed as: effete and useless institution for representing the national will.—(The Liberal platfo.. Historic Facts and Current Problems, pp. 348-9.)

There are some people who seem to think they have no reason to "thank God for the House of Lords."

When the ten years during which the Unionists were in power came to an end, the Liberals introduced a new and more drastic Employers’ Liability Bill, officially described as the Workmen's Compensation Bill. This time the word was passed by Mr. Balfour that the Lords must not meddle with Labour Bills. The Peers, therefore, contented themselves with making two amendments in the first schedule. The first provided that workmen suffering from old age, physical infirmity, or incapacity might contract themselves out of the Act so far as to accept a reduced compensation. This was the reinstatement of the original proposal of the Government which the House had struck out at the instance of the Labour party. Here, possibly, the Lords might have done good if they had stood to their guns. But when the Commons rejected their amendment they submitted. The only oiller amendment was that providing that either party might insist upon calling in a medical referee. As the Bill stood, he could only be called in when both parties consented. This amendment was also disagreed with, and again the Lords submitted.

In 1887 the Lords, although a Unionist Government was in power, struck out some of the clauses in the Government Bill which was framed to secure the safety of the miners. In the same year the Lords mutilated the Truck Acts Amendment Bill, excluding agricultural labourers from its protection. Even the Unionist majority in the Commons disagreed with the Lords’ amendments, but in order to save the Bill they had to submit, and the Peers had their way. The Commons reluctantly assented, on account of the lateness of the session, to accept the "amendment."

In 1893 the Railway Servants (Hours of Labour) Bill was mutilated by the Peers, who excluded shop and factory hands from the protection accorded by the measure.

One of the most useful functions of the House of Lords from a Conservative point of view is that of providing incoming Conservative Ministers with an ample array of measures ready to hand. The rejected Bills, or the expunged clauses of the Bills of Liberal Administrations, amply furnish [unclear: orth] the programme of their Conservative successors. The legalisation of picketing is only one case out of many.

In the legislation of the Parliament of 1874, upon which the Conservative Government specially prided itself on account of its benevolence to the working man, many of its "reforms" were little else than the repeal of "Lords' [unclear: mendments]" in previous Parliaments. Notably was this the case in the [unclear: reat] grievance of the Trade Unions in connection with the Criminal Law [unclear: Amendment] Act. The clause in that measure which the workmen most [unclear: eenly] resented—that making picketing a penal offence—was introduced by [unclear: he] Lords. Viscount (then Mr.) Cross and Lord Cranbrook (then Mr. [unclear: athorne] Hardy) argued strongly in favour of the alteration; but it was [unclear: nctioned] not so much out of deference to their arguments as because of [unclear: he] hopelessness of securing the consent of the Lords to the Bill without [unclear: e] objectionable provision. The Act passed, and it immediately excited [unclear: e] keenest hostility among the working classes. The conviction of the [unclear: s] stokers increased their antipathy to the Act, but all attempts to amend failed owing to the crowded state of the order book. When the new [unclear: arliament] met, a Royal Commission was appointed to inquire into the [unclear: hole] question; and in 1875 Sir Richard Cross, with the assent of the [unclear: ords], repealed the Criminal Law Amendment Act, loudly congratulating [unclear: e] workmen upon the fact that at last there was a Government in power which would not hesitate to remove the grievances of which they complained. The fact that the Conservative Government had done little more than undo the mischief which the House of Lords, with the hearty assent of the Conservatives in the Commons, had done in the previous Parliaments was studiously kept out of sight, nor was it so much as once alluded to by Conservative candidates, who paraded the repeal of the Criminal Law Amendment Act as one of the beneficent measures which the working classes owed to the Conservative Government.

The decision of the House of Lords sitting as the Supreme Court off Appeal in the Taft Vale case in 1901 startled everyone by the discovery that the Trades Union Act of 1871-5 did not protect the funds of the unions from liability in case of strikes. The working classes insisted upon fresh legislation to restore them to the position which everyone for thirty years had believed that they occupied. To meet this grievance the Liberal Government, in 1906, brought in the Trades Disputes Bill. The leaders of the Peers, Lord Lansdowne and Lord Halsbury, hated the Bill, denounced it in the strongest terms, and then announced that they would not reject it, because to fight the nation upon such a question might prove, disastrous to themselves.

Lord Lansdowne’s words were: "Let their Lordships, if they were to join issue, do so upon grounds which are as favourable as possible to themselves. In this case the ground would be unfavourable to the
Therefore, he said, although the Bills "conferred privileges upon the Trades Unions fraught with danger to the community, and likely to embitter industrial life," he would not vote against it. The Bill would inaugurate "a reign of licence," but the Lords must not throw it out. A pretty Second Chamber this!

Lord Halsbury said the Bill was contrary to the spirit of English liberty. It contained the most disgraceful section that had ever appeared in an English statute. As for Clause 4, "anything more outrageously unjust, anything more tyrannical, he could hardly conceive." It was "a Bill for the purpose of legalising tyranny." It was likely to produce commercial distress. It might be that it would drive justice from her seat. And then with a majority of the Peers longing to be allowed to reject this terrible measure, Lord Halsbury, like Lord Lansdowne, would not vote against it. And why? Frankly because they feared for their order. Was ever the essential rottenness of a hereditary bulwark more nakedly confessed?

The same moral is emphasised with equal force by the action of the House of Lords when they came to deal with Old-Age Pensions in 1908. The Unionist party, through Mr. Chamberlain, had promised Old-Age Pensions in 1894. But although Mr. Chamberlain's Government could find £250,000,000 for the war against the Boors, they could not spare a penny for the worn-out veterans of industry at home. Not only did they do nothing themselves, but when the Liberal Government, which had never promised Old-Age Pensions, brought in the Bill giving five shillings a week to every old poor man or woman over seventy years of age, the Unionists denounced it. On the second reading twenty voted against it, and ninety-one refused to vote at all. Only forty-two voted for it. On the third reading eleven voted against it, one hundred and forty did not vote at all, and only twelve voted for it. When it reached the House of Lords, the Peers were only kept from throwing it out by Lord Lansdowne's insistence upon the privilege of the Commons. He denounced the Bill on many grounds. He said that it would completely undermīno the present Poor Law system. He regarded it with great apprehension, and must throw the entire responsibility for passing it upon the Government.

The Lords said that the Bill would have "disastrous" effects, that it would "weaken the moral fibre of the nation and diminish the self-respect of our people," would "demoralise" the working classes, "do away with thrift," while they regarded the money to be spent on pensions as "these lost millions."

The Bill had, however, been supported by colossal majorities in the Commons, and it was a Bill essentially of financial complexion. "In these circumstances it seems to me," said Lord Lansdowne, "that however much we may dislike the Bill, we should gain nothing by rejecting or delaying its progress . . . and the difficulty would be increased for us by the fact that we should be represented, not without some prima facie justice, as having endeavoured to encroach upon that well-established privilege of the House of Commons which gives to that House almost undisputed control over the finances of the country."—Hansard (192), p. 1,422.

It was the Commons' privilege which saved Pensions. But although Lord Lansdowne shrank from straightforward slaughter of the Bill, he supported Lord Cromer's attempt to take it on the flank. The House of Lords carried by 77 to 45 Lord Cromer's proposal killing the Bill in seven years' time. Fortunately this was ruled out as a breach of privilege by the Speaker. Privilege therefore saved Pensions twice over. It saved them in 1908 and it saved them in 1915.

Small wonder is it then that the Labour party in its Manifesto speaks with no uncertain sound on the question at issue. "A General Election has been forced upon the country," it says, "by the action of the House of Lords rejecting the Budget. The great question you are to decide is whether the Peers or the People are to rule this country." The House of Lords, it declares, has mutilated or destroyed many useful measures, and now claims the right to decide what taxes shall be paid and how they shall be spent. The present system of land ownership "has devastated our countryside, imposed heavy burdens upon our industries, cramped the development of our towns, and crippled capital and impoverished labour." "Therefore," says the Manifesto, "the Lords must go!"

Chapter IX.

There Record on Education.

The first serious attempt made by the (unreformed) House of Commons' to provide for the education of the people of England was thwarted by the Lords. It was in 1807 that Whitbread introduced and passed through the House of Commons the first Education Bill that ever received the sanction of that assembly. It was a simple but comprehensive measure which enacted that there should be established an elementary school in every parish in the land, supported out of the rates, and controlled by the rate-payers. The Commons passed it, the House of
Lords threw it out. And why did the House of Lords throw it out? Not because they hated education, but because they allowed themselves to be dominated by the Arch-bishop of Canterbury, who approached the question not from the point of view of the needs of the people, but from that of the interest of the Established Church. The Primate frankly declared that his objection to the measure rested upon his determination not to allow the control of the school to get out of the hand of the parson. The Bill, he said, "left little or no control to the minister of the parish." He believed that it would go far "to subvert the first principles of education in this country, which had hitherto been, and he trusted would continue to be, under the control and auspices of the Establishment." He felt sure that their Lordships "would feel how dangerous it might be to innovate in such matters."

The Primate was justified in his confidence. Only three Bishops voted for a rate-aided public elementary school in every parish. Fifteen voted against it. The Bill was thrown out by a majority of the Peers. So ended the first attempt to pass an Education Bill providing school accommodation for all the people in the country. Thanks to that veto, it was sixty years before a similar measure was placed on the Statute Book. Two generations of English folk had lived and died without education, because the Church and the Lords preferred they should have no schools rather than provide schools which were placed under the control of those who paid for them.

The Nonconformists in 1808 founded the British and Foreign School Society. The Church, three years later, followed their example. In 1833 the Reformed Parliament voted £20,000 a year in aid of national education. Twenty thousand pounds per annum! At that time the Dukes of Grafton, in recognition of the dishonour of a female ancestor of theirs who had been one of the harem of Charles II., had been drawing £11,946 per annum for 163 years. The sum allowed to the descendant of a single Royal bastard was more than half the education vote which the Reformed Parliament ventured to propose for all the schools of the country. It was fortunate that this was a money vote, otherwise it might have been vetoed by the Peers. It was not until 1839 that the Lords had an opportunity of having a say in the matter. In that year the grant was raised to £30,000, and its administration was placed in the hands of the Educational Committee of the Privy Council. The Roman Catholics were allowed to share in the grant. That was the beginning of a national system of education.

Lord Ashley, afterwards Lord Shaftesbury, who was as bad a politician as he was an admirable philanthropist, said:—

*It is my firm belief that this plan of national education is hostile to the Constitution, to the Church, and to revealed religion itself.*

The Lords could not interfere with the money giant, but they would not allow even so small an advance towards national education without expressing their suspicion and distrust. The Archbishop of Canterbury proposed a series of resolutions condemning the scheme. They were embodied in an address to the Crown, praying that—

*Her Majesty will give directions that no steps shall be taken with respect to the establishment or foundation of any plan for the general education of the people, without giving to this House, as one branch of the legislature, the opportunity of fully considering a measure of such deep importance to the higher interests of the community.*

The method of proceeding by a vote in supply instead of by a Bill was fiercely assailed by Lord Ashley on grounds which justify a regret that the whole question was ever otherwise handled. It would not have been impossible to have dealt with education so as to have made every educational question a financial one, and so have removed it from the meddling of the House of Lords. Lord Ashley, of course, was of the opposite opinion. He said:—

*It is above all a matter of astonishment and regret that the Bishops of the land, the parties most responsible for the good conduct and government of the people of this country as spirituals, should be denied the liberty to express their opinions on the tendency of the proposed system to promote the spiritual welfare of the Church. . . . Consider the evil nature of the precedent you are laying down by converting measures of unspeakable interest into mere money votes, abating thereby the reverence due to the subject matter, limiting the means and opportunities of consideration to the House of Commons, and wholly excluding the House of Lords.—("Life of Lord Shaftesbury," vol. i. p. 253.)*

Lord Ashley was beaten in the House of Commons. In the House of Lords the battle was renewed. The Duke of Wellington gave his opinion in no uncertain terms. The opposition to the scheme was based upon a demand that public money ought in no way to be diverted from schools in connection with the Established Church. He wrote to Lord Ashley:—

*Money ought not to be levied upon the subject or granted by Parliament for the purpose of educating the people in popery, in the tenets of the Unitarians, in those of the Anabaptists, in those of any sect not in communion with the Church of England; or at all excepting in the tenets of the Church of England.—("Life of*
The Bishop of London protested against the National Council for Education on the ground that "the State, having delegated its functions to the Church as far as the religious education is concerned, is not competent to resume them." The old Tory note of hostility to the education of the working classes was voiced by the Bishop of Exeter, who—

speaking of the poorer classes, saw very little need of secular education that ought not to be combined with religion. Looking to the poor as a class they could not expect that those who were assigned by Providence to the laborious occupations of life should be able largely to cultivate their intellects.

When the division was taken 229 Poors, including 15 Bishops, voted with the Archbishop, and 118, including three Bishops, with the Government.

The Queen replied dryly that the reports of the way in which the money was expended year by year would be laid before Parliament. But peace was eventually made between Lord John and the Bishops by an arrangement by which the reports of inspectors of schools were to be sent to the Bishops as well as to the Committee of the Privy Council.

For the defeat of Sir James Graham's attempt to extend the national system of education in 1843 the Lords were not responsible, neither can they be charged with the responsibility of defeating Lord John Russell's Education Bill of 1856. It was not until 1870, when Mr. Forster introduced the Education Bill which created the School Boards, that the Lords had an opportunity of displaying their hostility to popular education. They confined themselves to two amendments. The first struck out the clause permitting School Boards in certain circumstances to establish free schools. This the Lords struck out apparently under the influence of the two-fold motive to limit the powers of the Boards and to prevent the establishment of free education. Fortunately when the Bill went back to the Commons this Lords' "amendment" was disagreed with and struck out. The Lords fared better with their second amendment. By a unanimous vote they struck out the clause providing that the ballot should be used in School Board elections. The Commons did not insist upon restoring the clause, but secured their object by the Ballot Act. On the whole it is marvellous, in view of their subsequent performances, that the House of Lords allowed Mr. Forster's Bill to pass with so little mutilation.

It is well to be reminded of the fact that the Lords were practically shut out from any effective share in the development of the national education from 1839 to 1859. During that period the Education Grant had risen from £30,000 to £836,000 per annum.

"It is remarkable," says Mr. Spencer Walpole, "that this rapid growth of expenditure was the effect not of legislation but of departmental minutes. Even the introduction of the Capitation Grant in 1853 and its extension in 1856 were effected without legislation." Sir H. Craik says, "The legislature at the most acquiesced in the minutes: it did not deliberately ratify them." But it should be recollected that the expenditure was directly sanctioned by the House of Commons in votes of supply and by both Houses in the Appropriation Act.—("History of Twenty-five Years," vol. ii., p. 505.)

In 1862 Lord Derby claimed and Lord Granville conceded that both Houses should have the right to discuss the new Code, and discussed it was accordingly both by Lords and Commons. But with that exception, the Commons kept the control of national education entirely in their own hands until 1870, when Mr. Forster's Education Bill necessitated an appeal to the House of Lords.

Ten years after Mr. Forster's Act was placed on the Statute Book, the Lords passed a resolution by 98 to 50 striking out from the Code the schedule sanctioning the teaching of elementary science. The House of Lords allowed Mr. Forster's Bill to pass with so little mutilation.

Eleven years later the Conservative Government brought in a Bill abolishing the payment of fees in elementary schools. It was passed by the House of Lords. The House always passes the measures of a Conservative Government, excepting when they touch the land.

It was, however, not until 1897, when the Voluntary Schools Bill was under discussion, that Lord Halsbury, who was then Lord Chancellor, laid down the doctrine that as the Bill made a condition to the grant of money it came within the scope of the Protest of 1678, and therefore could not be amended by the Lords. This ruling was made in order to expedite the passage of a Bill granting £500,000 to the Voluntary schools. The Lord Chancellor said that it would be hardly respectful to the House to discuss matters "and come to a decision to which their lordships could give no practical effect, because if the amendment were passed it would, as a privileged amendment, have to be again struck out from the Bill."

Lord Herschell, in the debate that followed, said that the first amendment was—

a direction to the Education Department, but the question was whether this came within the principle, and affected the people who were to receive the grant, which grant: was not made specifically to any school or schools, but left to be distributed by the Education Department. ... If the House was precluded from discussing from an educational point of view what was to bo the distribution of the money for education with a view to educational efficiency, then it seemed to him the House was deprived of the means of dealing with one of the
most important questions ever brought before Parliament.

The Earl of Camperdown said that "if the House were precluded from discussing any conditions which appeared in a Bill making a grant of public money out of the Exchequer, then their Lordships would have no power to modify the words of any clause in Committee on such a Bill." Lord Coleridge asked if the second amendment, defining "efficiency," were in order, and the Lord Chancellor at once replied, "It adds a condition to the grant of money, which is within the express language of the protest of the House of Commons." So with an amendment standing in the name of the late Lord Kimberley, "I think," said Lord Halsbury, "it comes within 'management.' The language of the protest includes the management, and I think that this touches the management." The Liberal peers appeared to object to Lord Halsbury's ruling; not so Sir II. H. Fowler, who promptly pointed out (Times, April 6, 1897) that this was an unprecedented and complete acknowledgment of the privileges of the House of Commons.

The Lord Chancellor appeared to be of opinion that because the Bill proposed grants in aid of Voluntary schools it became what is technically called a "Money Bill," and he laid down the doctrine that it was the undoubted and sole right of the House of Commons to attach conditions, limitations, and qualifications to such grants, and "that such conditions, limitations, and qualifications could only be altered in the House of Commons."

It is not for the Liberals to complain of this unqualified recognition of the sole prerogative of the House of Commons with respect to all measures which involve any grant of public money.

It is to be regretted that these admissions of 1897 were forgotten until the close of the debates of 1906.

In 1902, the Unionist party having obtained a majority by appealing to the country in the midst of the South African war, on the pretext that Imperial interests entitled them to appeal to the electors for a renewal of their confidence irrespective of their views on questions of domestic policy, were no sooner firmly reseated in the saddle than they insisted upon reopening the great settlement of 1870. They had no mandate from the country. The subject had never been submitted to the constituencies. If ever there was an occasion on which, if the House of Lords had really been an impartial umpire, charged to see that no legislation was carried upon which the mind of the country had not been clearly made known, that occasion arrived in 1902, when Mr. Balfour's Bill, abolishing School Boards, and putting the denominational schools on the rates, was sent up from the House of Commons. But, true to their invariable rule, whenever a Conservative Government is in office, the House of Lords refused, by 147 to 37 to defer the consideration of the Bill till the country had been consulted.

It was a long succession of similar instances which led Lord Rosebery to exclaim in 1994:—

What I complain of in the House of Lords is that during the tenure of one Government it is a Second Chamber of an inexorable kind, but while another Government is in it is no Second Chamber at all . . . Therefore the result, the effect of the House of Lords as it at present stands, is this that in one case it acts as a court of appeal, and [unclear: a] packed court of appeal, against the Liberal Party, while in the other case, the case of [unclear: a] Conservative Government, it acts not as a Second Chamber at all. In the one case we have the two chambers under a Liberal Government; under a Conservative Government we have a single chamber.—(Edinburgh, March 17th, 1894.)

When the Bill got into Committee the Lords set to work to "amend" the Bill by making it more denominational than ever. The following summary of the divisions in Committee, taken from Mr. Joseph Clayton's "Bishops as Legislators," indicates the general drift of their Lordships amendments:—

**THE EDUCATION ACT OF 1902.**

- In 1902 the Lords passed the Education Bill by 147 to 37 votes. Fourteen Bishops voted for the Bill, one (Hereford) against.
- An amendment to this Bill by Lord Beauchamp to compel local education authorities to undertake Secondary Education was lost by 174 to 33 votes. Three Bishops voted for the amendment, twelve against.
- An amendment by Lord Halifax to allow denominational teaching in secondary school, and colleges was carried by 107 to 14 votes. Sixteen Bishops voted for the amendment none against.
- An amendment by Lord Beauchamp for a "Conscience Clause" in all training colleges was lost by 121 to 19 votes. Fourteen Bishops voted against the amendment none for.
- An amendment by the Bishop of Hereford in favour of two instead of four foundation managers for non-provided (voluntary) schools was lost by 158 to 27 votes. Seventeen Bishops voted against the amendment, one for.
- An amendment by the Bishop of Manchester making the local authority (and not [unclear: th] religious body) responsible for the "wear and tear" of voluntary schools was carried by; 114 to 88 votes. Eighteen
Bishops voted for the amendment, none against.

- An amendment by the Bishop of Hereford to allow education authorities to appoint all teachers "without reference to religious creed or denomination" was lost by 167 to 2 votes. Thirteen Bishops voted against the amendment, one for.
- An amendment by Lord Shaftesbury to confine the control of the religious teaching the foundation managers (excluding the appointed managers) was lost by 87 to 28 votes. Three Bishops voted for the amendment, eleven against.
- An amendment by Lord Halifax to make the Bishop of the diocese the decider in any question concerning the religious instruction in the Church of England schools was lost by 157 to 20 votes. One Bishop (Norwich) supported the amendment thirteen against.
- An amendment by the Duke of Northumberland to prevent school managers excluding parochial clergymen from Church schools was lost by 96 to 65 votes. Seventeen Bishops supported the amendment, one (Manchester) against.
- An amendment by Lord Burghclere that local education authorities should political meetings in schools outside school hours was lost by 77 to 23 votes. Two Bishops voted for the amendment, five against.
- An amendment by Lord Lytton to allow denominational teaching to be without charge in all schools, outside ordinary school hours, at the request of parents was lost by 74 to 68 votes. Fourteen Bishops voted for the amendment, one (Hereford) against.
- An amendment by Lord Camperdown to allow local education authorities to appear to the Board of Education for the closing of schools held to be unnecessary was lost; 108 to 22 votes. Twelve Bishops voted against the amendment, one (Hereford) for.

Of these amendments the Bishop of Manchester's Wear and Tea clause was obviously a breach of privilege. It was a violation of the constitutional law of the country and a departure from the constitutional practice of the House of Lords, which, as Lord Davey truly said, has no been to interfere with either the amount, extent, or incidence of the rates which such a Bill enabled a local authority to raise." But the House of Commons under Mr. Balfour was a very indifferent guardian of the rights and privileges which had been won by its predecessors. The opportunity of helping their clerical allies to a further raid upon the rates outweighed all other considerations.

The way in which this was done deserves special mention. As the Bishop of Manchester's amendment was admittedly a breach of privilege, the Duke of Norfolk, with the consent of the Duke of Devonshire, added to the clause after the Bill had been read a third time the following words: "But this obligation on the local educational authority shall throw no additional charge on any public funds."

As the whole object of the clause was to impose upon the local education authority the duty of meeting the cost of wear and tear out of the rates, this addendum was an absurdity. It was equivalent to telling a man he had to pay a bill and in the same breath saying that that acknowledgment of a debt entailed no obligation to part with any money.

So monstrously ridiculous was the clause as amended that the officials of the House of Lords marked the words in italics as "proposed to be omitted by the House of Commons."

When the amended clause came before the House Sir James Ferguson proposed to omit the italicised words. The motion was carried by 200 to 104. Thus another inroad upon the privileges of the Commons was made with impunity.

It is worth noting that even so unimpeachable a Conservative authority as Sir William Anson has recorded with anxiety the constant tendency of the Lords to trespass upon the domain marked out as the exclusive monopoly of the Commons. Writing in 1887 upon constitutional developments in the reign of Queen Victoria, after having spoken of the Lords as having very decidedly extended their functions by their action on the paper, Sir William Anson went on to say:—

But it is not only in this matter of the paper duties, nor so long ago as 1861, that the House of Lords has done very great in this respect by voting into Bills the establishment of officers and appointment of salaries, and sending these Bills with all such portions printed in italics, a expedient adopted in order to show that they are not presented as parts of he Bill, but only as indications of the view or wish of the House of Lords; in matters, However, in which they have, as a body, no more right or title to any view or wish at all than the House of Commons has or had to send by any subterfuge to the Lords a as to judgments to be given in appeals.—(" Reign of Queen Victoria," p. 132.)

Obsta principiis is a good maxim, but one of which the House of Commons has been unmindful—with the natural and inevitable result. One unrepresented encroachment paves the way for another, and unless there a
prompt awakening the House of Commons will discover that its exclusive right to deal with financial questions has vanished into thin air.

The action of the House of Lords in relation to secondary education as been similar to their dealings with elementary schools. The Endowed schools Commission was appointed in order to secure the utilisation of educational endowments amounting to nearly £600,000 per annum; that a sum equal to 3 per cent. interest on £20,000,000. The Commission as appointed to prepare schemes for the reconstruction of trusts that had en abused, for the restoration of the moneys of the pious founders to [unclear: ucational] purposes in accord with the necessities of the altered times. [unclear: was] a Commission on which no Nonconformist had a seat. Its inspectors were all Churchmen. But its schemes were mercilessly, maltreated by Lord Salisbury, who had the House of Lords at his back; Some of the best schemes for the reform of our great educational foundations for middle-class educations were rejected by the Lords When the Endowed Schools Bill was introduced in 1873, the Lords [unclear: cut] down its duration from four years to one, and so paved the way for the transfer of its powers in 1874 to the Charity Commission. The governing principle of the Lords in dealing with all these questions is to look after the interests of the Church and let the school look after itself. In 1893 the Bishop of Chester carried an Address to the Queen praying her not to sanction the charter for the University of Wales unless the Anglican Lampeter College was included in the University. In the same year he carried his address to the Crown objecting to the intermediate and technical education schemes drawn up by the Charity Commissioners for Cardiganshire and Merionethshire.

"The effect of this action on his part was," says Mr. Claydon, "to prevent in the counties named the carrying out of a plan for taking scholars from elementary [unclear: o] intermediate schools, for giving bursaries to poor scholars, and for taking successful scholars from intermediate schools to university colleges."—("Bishops as Legislators," pp. 62-3.)

The extent to which the House of Lords has forgotten the modest [unclear: roll] which it was formerly content to play has been most notably illustrated [unclear: o] late by the manner in which it dealt with the Education Bill of 1906.

The Education Act of 1902 transferred the control of the [unclear: educationa] system of the country to the municipal and county authorities. For [unclear: this] change much is to be said. Mr. Birrell thus described one of its results:—

The Bill of 1002 transferred, wisely or foolishly, from School Boards the vast duty the enormous responsibility, of providing for the primary education of their district and for co-ordinating secondary education so that both should go together, to [unclear: count] councils, city councils, and municipal councils. From that great alteration [unclear: enormont] consequences have followed, which perhaps nobody except those whose misfortune it [unclear: is] to spend their days in the Board of Education have had an opportunity of [unclear: fully] realising. These bodies measure their importance by the greatness of their [unclear: responsibilties]. In all those thickly populated districts, those places where the mind [unclear: o] England is made up, those bodies have become infected with a lofty ambition. [unclear: They] are determined to municipalise education from top to bottom; they are determined [unclear: to] get whole and complete control over all the machinery of education, from the [unclear: infan] class to the University. They are determined to be masters in their own schools.-(December 10, 1906.)

If the Act of 1902 had only done this, there would have been [unclear: n] agitation against it, although the administrative difficulties that arose [unclear: if] working it would sooner or later have compelled the passing of [unclear: a] amending Act. But the primary purpose of the Act was not [unclear: educational]. It was passed in order to put the denominational schools upon [unclear: the] rates:—

For the first time the teachers in denominational schools were wholly paid out [unclear: o] public funds, though they have to submit to a religious test in order to obtain what [unclear: i] now to all intents and purposes a post in the Civil Service. Except for the provision [unclear: o] the building, denominational schools are to be wholly maintained at the public [unclear: expens] whilst loft under [unclear: prepordrately] denominational management.

Against these provisions of the Act the Nonconformists rose in [unclear: revol] Thousands became passive resisters, refusing to pay the proportion of [unclear: th] rate that was devoted to the teaching of denominational religion. [unclear: Eight] thousand summonses were issued to enforce payment, property was [unclear: seize] and sold by auction, and 318 public-spirited citizens who had no [unclear: visibl] property upon which to levy restraint were sent to prison as [unclear: ordinal.] criminal convicts. They took joyfully the spoiling of their goods, and the spectacle of their self-sacrifice fired the zeal of their co-religionists to such an extent that a Conservative Nonconformist could hardly be discovered with a microscope. Among all the causes which contributed to the Liberal victory the Nonconformist revolt stood first, and in natural sequence an Education Bill occupied first place in the programme of the session. At the General Election 360 Liberal members were elected in England and Wales by a plurality of 504,814 votes over 126 Unionists. Every one of these Liberal
members was pledged to vote for a Bill amending the Act of 1902 in such a way as (1) to secure public control for all public schools maintained at the public expense, and (2) to abolish tests for teachers. The justice of this latter claim was emphatically recognised by Mr. Chamberlain, who declared that teachers ought to be as free from theological tests as postmen or any other civil servants. The Bill was, as the Premier said, packed full of concessions to the Denominationalists before it was brought into the House of Commons. These concessions were still further increased on its passage through Committee. The House of Commons spent 49 parliamentary days on the Bill, which was read a first time without a division, a second time by 410 votes to 204, and a third time by 369 votes to 177.

It went up to the House of Lords, where it was read a second time without a division, and then turned inside out in Committee. What was virtually a new Bill in spirit and in substance was sent back to the House of Commons. In this new Bill, according to the terse statement of the Prime Minister—

The demand was solemnly avowed that in the hitherto denominational schools, the ion-provided and the transferred schools, according to the nomenclature of this [unclear: legislation], specific sectarian religious teaching should continue to be given [unclear: y] all the teachers, if willing, in every school, large or small, in town and country alike, irrespective of the assent of the local authority. That is a plain description of the [unclear: demand]. Now what is this but the perpetuation and extension and consolidation of the [unclear: ery] system which our Bill was designed on the whole to put an end to? And these [unclear: emands] are not more persuasively commended to us by the fact that this new, [unclear: ggravated] and consolidated denominationalism is to be accompanied by rent paid by [unclear: he] State for the use of the schools which it is obliged to support. The same teachers [unclear: ref] to teach the same things to the same little children in the same schools, whether [unclear: he] local authority like it or not, and the public purse is to provide a rent for the [unclear: chools] which they now enjoy rent free. Sir, I say that is enough.—(December 20, [unclear: 1906].)

The House of Commons sent the Bill back to the House of Lords by a [unclear: najority] of 416 to 107, rejecting all amendments en bloc, while intimating tthe same time what further concessions they were willing to make. These concessions satisfied the Irish Catholics.

Mr. Redmond, in the House of Commons on December 20th, speaking of the con-[unclear: essions] offered by the Government to the House of Lords for the sake of compromise, [unclear: aid]: "Under those amendments, if the Bill had passed into law, the bulk of the [unclear: atholic] schools would have remained Catholic schools in their atmosphere. In these [unclear: rcumstances], he and his colleagues, who opposed the second and the third readings, ad to consider whether, on the production of the latest amendments of the Government, [unclear: which] gave them substantially all they had been asking for, they should facilitate a [unclear: ompromise] and the passage of the Bill, or whether they should join with the leader of [unclear: ne] Opposition and the House of Lords in wrecking the measure. It was not without [unclear: the] very gravest deliberation and consideration, and not without consultation with those ho were best entitled to speak on behalf of the Catholic body in this country, that they [unclear: une] to the conclusion that, in the interests of the Catholic schools, it would be unwise [unclear: r] the Catholic representatives in that House to make themselves in any degree [unclear: sponsible] for the wrecking of a measure which had, to put it at the lowest, been made [unclear: lerable] to the Catholics of the country."

, they satisfied the Duke of Devonshire, they appear even to have gone far to satisfy the Archbishop of Canterbury. They did not satisfy Mr. Balfour, who used the Lords as his cat's-paw to wreck the Bill. They horrified the Nonconformists, whose revolt had necessitated the legislation, but there was a general disposition to concede almost everything to avoid the loss of the Bill. But "the material and generous concessions" were made in vain. The Lords adhered to their amendments by a majority of 132 to 52. The Duke of Devonshire carried four Unionist peers with him into the Government lobby, in which was also found one solitary bishop. After this there was nothing to be done but to abandon the Bill, which was done with the usual ceremony.

By thus wrecking the Bill, to which the greater part of the first session of the Parliament had been devoted, the House of Lords has not only wrecked the work of the Commons and postponed the redress of admitted grievances; they deprived the children of the nation of benefits which were secured them by the Bill. The Education Bill is often spoken of as if it were nothing but an attempt to redress the wrongs of the Chapel at the expense of the Church. But it contained provisions for the blind and deaf, for vacation schools and recreation, for medical examination and inspection, and for enabling intelligent children to have an opportunity of passing into higher-grade schools. Mr. Birrell, in pronouncing the funeral oration over his Bill, said:—

Reference has also been made to the medical inspection clause, which passed with general consent in this House, and gave great hopes, not only to those who are scientifically interested in the subject, but to all who believe in the manhood of our race, as being the one thing to preserve and the only real hope for the future. I also derived great pleasure from the thought that this Bill would have done something to organise the playgrounds of our children, to give to the children of the poor what perhaps is almost the best education they
anywhere can get, that of acting in manly and friendly co-operation one with the other. Well, all these hopes are for the moment banished, and we have lost our labour.—(December 20, 1906.)

The children of the poor, it would seem, have scant reason to "thank God for the House of Lords."

This chapter cannot be more appropriately closed than by quoting the peroration of Sir Henry Campbell-Bannerman's brief speech announcing the fate of the Bill:—

*It is plainly intolerable, sir, that a Second Chamber should, while one party in the. State is in power, be its willing servant ("Slave," "Hear, hear"), and when that party: has received an unmistakable and emphatic condemnation by the country, the House of Lords should then be able to neutralise, thwart, and distort the policy which the electors have approved. (Loud cheers.) That is the state of things that for the moment—for the nonoe—we must submit to. A settlement of this grave question of education has been prevented, and for that calamity we know, and the country knows, upon whom the responsibility lies. (Cheers.) But, sir, the resources of the British Constitution are not wholly exhausted—(cheers)—the resources of the House of Commons are not exhausted—(cheers)—and I say with conviction that a way must be found, a way will be found, by which the will of the people expressed through their elected representatives in this House will be made to prevail.(Loud cheers.)*

It is not surprising that at the National Assembly of the Free Church Council held at Swansea, 1909, it was resolved that: "The Council realises and feels it incumbent on it to declare, that the veto of the House of Lords is the great obstacle in the way of a national system of education, since not only does its exercise cause the rejection of carefully drawn Bills, but its., existence (a) injuriously affects the drafting of educational measures, and (b) leads to their deterioration in Committee."

Chapter X.

Their Hatred of Religious Equality.

No one can pretend to be astonished that the Lords should have wrecked the Education Bill by insisting upon the maintenance of religious tests in the educational branch of the Civil Service. "Let dogs delight to bark and bite," said good old Dr. Watts, "for 'tis their nature to." And on the same ground, if the House of Lords exists, and so long as it exists, they will insist upon religious tests. It is the law of their being. "It's the nature of the beast." They have always done it, and they will go on doing it to the end of the chapter. The impudent assertion that they have not insisted upon tests, when they insisted upon rendering it practically impossible for any one to become a schoolmaster in half the schools of the country unless he was willing to teach the Church of England Catechism, is a dishonest subterfuge which imposes upon no one who does not wish to be deceived. It would be more manly to admit the fact and justify it as best they can. To the House of Lords religious tests and the imposition of civil disabilities as the corollary of such tests are part of the nature of things. Every removal of religious tests has seemed to them, and still seems to them, to be flying in the face of the will of the Deity. It is as foolish to be angry with them for acting in accordance with their hereditary instinct as it would be to scold a duck for taking to the water or a sow for wallowing in the mire. If they have been consistent in nothing else, they have been consistent here. It would be as easy to amputate a backbone as to exorcise the spirit of irrereligious arrogance, irrereligious ascendency, irrereligious intolerance, from the House of Lords.

The Peers have always been the persistent, steady, and unwavering opponents of every recognition of the claims of Nonconformists to an equality of rights and privileges with Churchmen. On one occasion, and on one occasion only, have they shown themselves more Liberal than the House of Commons. In 1877 they surprised everyone by voting in favour of destroying the monopoly of the graveyard, of which they had previously been the stoutest champions. It was but a momentary aberration. In 1880, when the Burial Bill came before them, they showed all their old [unclear: anxiety] to minimise a concession which could no longer be withheld; but [unclear: hat] even for a single session the Upper Chamber should upon a question [unclear: of] religious equality have been in advance of the House of Commons is an [unclear: unexampled] phenomenon, deserving, if only from its rarity, to be mentioned [unclear: t] the beginning of any retrospect of the action of the Peers on this subject, [unclear: it] is the solitary exception that proves the rule. A debate which took place in 1834 upon a proposal to repeal the law which then disgraced the Statute Book, forbidding the holding of religious meetings attended by more than twenty persons in private houses, illustrates the position from which the Peers approached such discussions The proposal to allow unlicensed private persons, without taking any [unclear: oath] or subscribing to any declaration, to hold service in their own houses scandalised their lordships, and the Bill was rejected without a [unclear: division]. The Bishop of
Exeter laid it down to his own satisfaction, and [unclear: apparently] to that of his fellow-senators, that the Bill was opposed to the Twenty-third Article of the Church of England, which declared that "it was not [unclear: lawful] for any man to take upon himself the office of public preaching," and as the whole Thirty-nine were "part of the unalterable Constitution of the realm," the Bill was manifestly unconstitutional and merited the immediate rejection which it received. The Bill was primarily intended for the [unclear: telie] of members of the Church of England, but its rejection indicated [unclear: clearly] enough the hopelessness of inducing an assembly which held such [unclear: views] to do justice to Nonconformists. They had passed the Bill repealing [unclear: the] Test and Corporation Acts with reluctance before the Reform Act, but [unclear: the] Bills which were the natural and legitimate corollaries of that measure they rejected year after year without the least compunction.

The same year that the Bishop of Exeter had asserted that the Thirty nine Articles were an unalterable part of the British Constitution the Duke of Wellington laid down the law that the King's Coronation Oath compelled him to reject every proposal to allow Nonconformists to be educated at Oxford and Cambridge. The Duke's reasoning was somewhat [unclear: peculiar] By the Royal Coronation Oath the King was "bound to see that in [unclear: the] universities the true doctrines of the Gospel, the doctrines of the [unclear: Church] of England, were maintained and taught, and nothing else." To admit Dissenter would be to give him a chance of gaining a seat in the [unclear: governing] bodies of the universities, which would imperil their exclusively Church [unclear: o] England character, and so "overturn every principle contained in the King's Coronation Oath." When the leader of the majority in the [unclear: Lord] held such a doctrine as this, the fate of the Bills sent up by the [unclear: Common] in favour of freeing the national institutions from sectarianism might [unclear: be] foreseen. The first Bill opening the universities to Dissenters was [unclear: sen] up to the Lords in 1834 by a majority of 164 to 75. It was rejected [unclear: by] the Peers by a majority of 102 to 85. Twenty-two bishops voted in [unclear: the] majority, only two in the minority. Twenty years later the Peer reluctantly accepted a Bill enabling Dissenters to take degrees at [unclear: Oxford] and study at their own private halls, but the concession was [unclear: carefully] limited by amendments shutting out Nonconformists from all office hitherto reserved for Churchmen qualified by a university degree.

The struggle for the opening of the national universities freely to [unclear: all] the youth of the nation did not begin until many years later. In [unclear: 186] the House of Commons declared by a small majority that the[unclear: sectarian] monopoly of the national seats of learning should cease. In 1865 [unclear: they] repeated this declaration, but in neither case was the Bill sent up to [unclear: Peers]. In 1866 the Commons carried the second reading of the [unclear: Tes] Abolition Bill by a majority of 114, but the lack of time proved fatal [unclear: ta] the further progress of the measure. In 1867, however, after the [unclear: Bill] had been read a second time without a division in the House of [unclear: Commons] it came on for second reading in the House of Lords on July 25th. [unclear: The] Bishop of Peterborough reminded the Peers of the duties they owed [unclear: ta] "God and the Church," and the Bill was flung out by a majority of [unclear: 7] to 46. Four bishops voted in the majority, and two on the other side. In 1869 the Bill was sent up again, only to be rejected by a majority [unclear: o] two to one, three bishops voting in the majority. In 1870 their lordships, being again confronted by the demand for justice, condemned the Bill by a majority of 14, but shelved the matter for another year by referring the question to a Select Committee. In 1871 the long fight came to a close by the complete surrender by the Lords of nearly every position which they had previously undertaken to defend. True, however, to their hereditary instinct, they added amendments exempting the heads of colleges from the provisions of the Bill, imposing a new test upon tutors, and preventing governing bodies of colleges from making liberal alterations in their statutes. The Commons summarily disagreed with these amendments, and the Bill went back to the Lords. Lord Salisbury proposed they should insist on his new test for tutors, but the Peers repeated his proposal by 128 votes to 89, and the struggle terminated at last in the complete triumph of the popular party. But even in the hour of victory it was impossible to forget that the Lords had been able to retard for five years a reform the Commons had sanctioned as far back as 1864.

As with University Tests, so with Church rates. In 1858, after many years' discussion, the House of Commons sent up the Bill abolishing Church rates to the House of Lords by a majority of more than 60. The Bill was hotly debated, and, after a lengthened discussion, it was rejected by the Peers by the decisive majority of 187 votes to 36, 24 bishops voting against it. In 1860 the Bill was again sent up, this time by a smaller majority. The second reading was carried by a majority of 29, but on the bird reading it dwindled to 9. The Lords threw out the Bill by 128 votes against 31, 16 bishops voting in the majority. In 1867 a new Church Rates Abolition Bill was read a second time by a majority of 76. On the 8th of August the Lords threw out the Bill by a majority of 82 to 24, [unclear: 7] bishops voting in the majority. In 1869, after the Bill had been referred [unclear: o] a Select Committee, the Lords gave way, and the measure, the success of which they had declared would be fatal to the Church, was placed on the Statute Book with their consent, but without any of the fatal consequences which they had predicted.
The clerical monopoly of the national burial grounds, after being repeatedly condemned by the House of Commons, was maintained by the House of Lords down to 1880. In 1876 16 bishops and 132 temporal peers voted for the monopoly, and only one bishop and 91 peers against it. In 1880 they reluctantly gave way, the Bishop of Lincoln declaring that if the Burials Bill became law, "it will be an Act for the burial of the Church of England herself, not indeed as a Church, but as a national establishment of religion." The Peers did their best to render the Bill abortive. They [unclear: restricted] its operation to parishes where no cemeteries exist; they excluded [unclear: rom] its provisions the consecrated section of cemeteries; and otherwise [unclear: ought] to cripple the Bill. The Commons made short work with these [unclear: mendments], and restored the Bill to something like its original shape. But although the Lords did not succeed in defacing the measure, their [unclear: mendments] remain on record to prove how unwillingly they surrendered [unclear: to] the nation the national graveyards which had been monopolised by sect.

The struggle for Jewish emancipation was even more protracted than [unclear: whose] waged over the opening of the universities or the abolition of Church [unclear: ates]. Even the little Bill admitting Jews to Corporations was rejected in [unclear: 841] by a House substantially identical with that which accepted it [unclear: without] a division in 1845. The history of the Jewish Disabilities Relief [unclear: Bill] can best be told by placing the majorities in favour of the Bill in the Commons side by side with those against in the Lords. The following is the record:—

In 1858 the contest between the two Houses, which had been carried on for a period of twenty-five years, came to a close. The Lords, after a vain attempt to mar the Bill, gave way, and the Jews at last were admitted to the full privileges of citizenship from which they had been debarred for a quarter of a century by the veto of the hereditary Chamber.

In dealing with Dissenters, at every stage of their existence, from the cradle to the grave, the Lords have uniformly endeavoured to brand them with some sign of inferiority. The Dissenters' Marriage Act of 1836 was only permitted to pass on condition that all those who dispensed with the services of the clergy should submit to the ignominy of having their banns read before the Board of Guardians.

The Lords amended the Poor Law Bill in 1834 so as to deprive the Nonconformist minister of a statutory right of access to the workhouses, and the first conscience clause passed by the Commons was rejected by the Peers. Fortunately the Commons insisted, and the Lords reluctantly consented to its restoration.

Permission to substitute an affirmation for the oath in courts of justice was resisted session after session, until piecemeal concessions first to one and then another of the sects rendered it possible at last for the courts of justice to receive the evidence of any citizen without insisting upon his being sworn. They attempted by an amendment of the Municipal Bill to reimpose the Test Act in order to exclude Nonconformists from any share in the administration of charitable trusts; and it is not ten years ago since the House of Lords rejected scheme after scheme of the Endowed Schools Commissioners, in order to preserve to the dominant sect a practical monopoly of intermediate education.

It is thus obvious that the House of Lords, in wrecking the Education Bill of 1906, were but doing as their fathers had always done before them. The question arises whether, when so vicious a strain is so persistent in the breed, it should be allowed to propagate its kind? Any scientific stock-raiser would make short work of any variety which so invariably reverted to a faulty and vicious type. Has not the time come when a legislative House which seems unable to expel the virus of mediaeval intolerance should suffer merciful euthanasia at the hands of the nation?

Chapter XI.

Their Jealousy of Local Self-Government.

The House of Lords, being an hereditary and aristocratic Chamber, has always shown a morbid jealousy and distrust of local self-government. This is perhaps inevitable. It is fortunately impossible to graft hereditary [unclear: egislators] upon the freely elected local bodies upon which the local [unclear: administration] of the country depends. Therefore the instinct of the hereditary Chamber is to limit their liberties, to curtail their authority, and [unclear: to] deny them the powers necessary for the due discharge of their functions. They have always done so, and so long as they remain the one unreformed [unclear: institution] in the country they always will. Considerable indignation was expressed, not unnaturally, at the conduct of the House of Lords in the last lays of the session of 1906, when they mutilated the Feeding of Children [unclear: in] Schools Bill by striking out the clause relating to Scotland. The Bill was an enabling measure giving permission to local authorities, if
they thought it necessary in the interests of humanity and of education, to make provision for feeding children who came hungry to school. The Lords, [unclear: even] the most impecunious, have always enough to eat. None of that [unclear: fellow]-feeling which makes one wondrous kind moved them to have pity upon the hungry urchins who came breakfastless to school. There is little [unclear: doubt] that if they had followed their instincts they would have thrown the Bill but altogether. But they dared not do that. Scared by their own success [unclear: n] wrecking the Education Bill, they did not venture to reject that for the [unclear: Feeding] of Starving Scholars. But they could not resist the temptation [unclear: o] maim the Bill, and so they refused to allow it to apply to Scotland. The [unclear: case] in favour of extending it to Scotland was even stronger than that [unclear: n] favour of applying it to England and Wales. When the Bill was [unclear: before] the Commons it was opposed by several English members, but the [unclear: nly] opposition from the north of the Tweed came from a single member [unclear: sitting] for a University constituency. All the Scotch members elected by [unclear: Scotch] householders approved the Bill. In the nature of things Scotch [unclear: ocal] authorities are much less likely to abuse the permission given them [unclear: y] the measure than those in the South. But it so happened that although [unclear: Mr.] Craik, the solitary Scotch opponent of the Bill, utterly failed to gain [unclear: he] ear of the House of Commons, he had influence with Lord Balfour of [unclear: Balcarras], and B. of B. was the Lord of the House of Lords so far as Scottish [unclear: egislation] is concerned. Therefore the clause extending the Bill to Scotland [unclear: was] struck out. The Commons growled, but the last day of the session [unclear: ad] come, and they had to choose between the loss of the entire Bill or [unclear: f] acquiescing in what is facetiously described as the Lords’ Amendment. [unclear: They] chose the latter alternative.

It is very provoking no doubt, but, to use a homely metaphor, what can you expect of a pig but a grunt? The Lords but acted as they have always done. The real blame lies at the door of the nation which has, in its indolent apathy, suffered this obstructive institution to survive till the twentieth century.

The House of Lords has contributed but little to the constructive legislation of the last century. Its function has been negative, obstructive, and destructive. It has rejected measures of constructive statesmanship retarded for the lifetime of a generation the removal of ancient abuses and by the short-sighted Conservatism which has led it to reject reforms it has contributed to the destruction of institutions it sought to preserve. But with the exception of the three-cornered constituency, it has hardly created anything since the Reform Act of 1832 but the alderman. The alderman may indeed be regarded as almost the solitary monument of the legislative genius of the Upper House. He is a curious product of the attempt of the Peers to create a privileged order in the heart of our municipalities and county councils, and his existence recalls what was one of the most serious collisions between the Peers and the nation which have taken place since 1832.

The Municipal Reform Act of 1836 is justly regarded as one of the greatest of the reforms which owe their origin to the energy of the first Reform Parliament. But this great measure, which created anew the whole machinery of municipal government, narrowly escaped defeat through a collision between the two Houses. If the Bill had perished, the popular movement against the House of Lords would have assumed serious proportions; but the crisis was staved off by a series of mutual compromises, of which the alderman remains as the most conspicuous memorial. The Municipal Reform Bill, as it was sent down by the Lords to the Commons, was an entirely different measure from that which the Commons had sent up to the Lords. Not daring to reject outright a measure of reform which was not less obviously required by the necessities of the times than it was urgently demanded by the popular voice, the Peers allowed the Bill to pass its second reading, and then eviscerated it in Committee, exactly as they did with the Education Bill of 1906. The alterations which they effected afford a striking illustration of the extent to which their lordships, while appearing to improve a measure, can transform it so utterly as to make it unrecognisable by its authors. The Commons proposed to establish the municipal government of our boroughs on the broadest popular foundation. The householders were to elect the councillors by whom the whole government of the town, even to the nomination of its justices, was to be exercised. All the old system was swept away at a stroke, and the new corporations were left untrammelled to carry out the wishes of their constituents. Such was the Bill as it entered the House of Lords; such was not the Bill when it was sent back to the Commons. Unable to save the corrupt old system en masse from extinction, they endeavoured to snatch as many brands from the burning as they could. All the freemen were restored to the burgess roll. All the old town clerks were made irremovable. All the existing aldermen were secured the possession of seats in the new town councils for life. All the justices who sat on the bench in their corporate capacity were secured fixity of tenure. Aldermen were to be elected for life by the town councillors, to form a kind of municipal life peerage in the heart of each corporation. The right to nominate justices was taken away from the councils. A high property qualification was insisted on for councillors, and Nonconformist councillors were excluded from any share in the exercise of corporation Church patronage. The appearance of the Bill as it emerged from the Upper House created a storm of indignation throughout the country. Ministers were implored to reject the Lords’ amendments en bloc. This course was strongly pressed
upon the Government by Mr. Roebuck; Mr. O'Connell was equally defiant of the Lords, but he thought the best method was to make what concessions they could, and then dare the Peers to throw out the Bill. His advice was taken. The Ministers refused to assent to the perpetuation of the town clerks and aldermen of the old system; they refused to re-enact the Test Act in relation to Church patronage; but they assented, with modifications, to the property qualification which lasted down to the last Parliament, to the continuance of the freemen, to the loss of the right to nominate justices, and to the institution of aldermen for a term of years. Thus the alderman was saved from extinction by the House of Lords, which renewed the lease of his existence and enabled him to secure to this day in Liverpool and elsewhere a Conservative majority in councils where, but for his presence, power would have passed into the hands of the Liberals. It is, perhaps, a righteous Nemesis that the aldermen in the London County Council were in after years to give solidity and strength to the Progressive majority in the body which rekindled the faith of the nation in democratic institutions.

There was some very plain speaking in the Commons in those days upon the conduct of the Lords. Sir William Molesworth declared that the Commons had gone too far in the path of compromise and concession.

_of what use was the House of Lords? Their conduct afforded the nation an easy and simple reply to that question. Their conduct was politically evil. On that subject every second person with whom he conversed held opinions not very dissimilar from his own. Let them pursue their course a little further and the period would quickly arrive (which he for one would be glad to see) when an end would be put to the privileges of an hereditary aristocracy—of that body which in his solemn belief could never be reformed save by being dissolved._

The reason for this irritation was stated by O'Connell, in a passage which is worth quoting, if only to illustrate the extent to which the House of Lords operated as a check on public business:—

_See what an immense quantity of most useful measures had been stopped in the other House during the present session! Take England. What had become of the Executors and Administrators Bill—a Bill of the utmost importance, doing away with some of the grossest absurdities of the law? It was cushioned. What had become of the Execution of Wills Bill? Cushioned. What of the Prisoners Counsel Bill? Cushioned. What of the Imprisonment for Debt Bill? Thrown out. Turn next to Ireland. What had become of the Irish Church Reform Bill—the first honest experiment to conciliate the people of Ireland by the Government of England? It was treated with indignity, wholesale indignity. Twenty-five clauses annihilated at one breath; they were struck out by the gross, and wholesale contumely as well as injustice was cast upon Ireland. What had become of the Irish Marriage Bill? It was thrown out; and what was the result? Why, that in every instance where illegal marriages had been effected the innocent child alone was left to be punished. What had become of the Irish Constabulary Bill? Thrown out on the most frivolous reason ever heard of. What had become of the Dublin Police Bill and the Irish Registry of Voters Bill? It was not yet destroyed; but he need not boast much of the spirit of prophecy to foretell what would become of that Bill. In short, as regarded England, the other House had evinced a determination to stop everything that was useful; and as to Ireland, they treated everything of conciliation or of justice with contumely and contempt._

The Dublin Police Bill and the Irish Registration Bill shared the fate which O'Connell predicted. The great Agitator spent the recess in haranguing vast assemblies in the North of England and in Scotland on the evils of the House of Lords.

_Thirty-seven years later the Peers threw out a bill introduced by Mr. Gladstone's first Administration for devising a method of terminating by the deadlock that had arisen over the question of the terminating aries of wards. Lord Salisbury detected in the proposal some political plot, and the Lords threw the Bill out by 77 votes to 56._

_Between 1835 and 1872 the Lords enjoyed many opportunities of expressing their jealousy of the democratic system of opportunities of merit. In 1836 they refused to sanction the Poole Corporation Re-election Bill, which provided for the re-election of the Poole Corporation on account of the gross fraud which characterised the first election in that borough; and rejected by 43 votes to 27 the proposal to permit affirmations in lieu of oaths to coloration officials. So stubborn were they about the matter, that when the Commons, to meet their views, detached all the clauses to which the Lords had objected from the Municipal Bill and sent up a new measure consisting only of matter which had already received their lordships consent, it was incontinently rejected. Two years later a Bill giving borough justices the same control over borough gaols as that possessed by county justices over county gaols, permitting the appointment of a chaplain other than a clergyman of the Church of England and increasing the power of the Secretary of State, was rejected by 33 votes to 32. Nearly forty years later a Conservative Ministry carried a Prisons Act far more centralising than that which the Peers rejected in 1838._

_In dealing with the question of Poor Law relief the Peers do not appear to so great a disadvantage as compared with the House of Commons. In the great Poor Law Act of 1834 most of their amendments were agreed to by the Commons, Lord Althorp somewhat significantly expressing his gratitude that their alterations_
had not made the Bill much worse. They occasionally have thrown out Bills providing for the more effective management of charitable trusts, but their action seems chiefly to have been prompted by an excessive jealousy of Nonconformity and an equally excessive anxiety for the protection of vested interests. For instance, Lord Lyndhurst complacently justified the rejection of the Charitable Trustees Bill of 1836 because it would have admitted Dissenters, if members of town councils, to a share in the management of funds hitherto exclusively in the hands of Churchmen. In 1835 they rejected a proposal to appoint Charity Commissioners to inquire into the public charities of England and Wales. Sometimes they interfered, as in 1836, to perpetuate the exemption of privileged corporations from liability to poor rate; and sometimes they interposed a peremptory veto upon a necessary measure for the reform of local taxation, as in 1873, when they rejected the Rating Act. Once in 1870 they went so far as to throw out a Bill, the loss of which, if it had not been promptly remedied, would have rendered it impossible to levy a rate for the poor in any parish in the kingdom; but this was exceptional.

The most conspicuous instance of late years in which the Lords showed their animus against the extension of self-government to the people of this country was the way in which they mangled the Parish Councils Bill of 1894. Here again, as in 1906, they shrank from giving effect to their feelings by throwing out a Bill they hated, so they set to work to mangle it. The story of their operations was set forth as follows in a leaflet issued at the time by the Liberal Publication Department:

The first thing they did was to make the Parish Council optional in nearly 5,000 villages. The Commons, after several long debates, had decided that all parishes of more than 200 population should have a Parish Council. It took the House of Lords half an hour to alter 200 to 500. In other words, to obtain a Council in these villages with less than 500 population meant an agitation. Two Archbishops and 12 Bishops voted for and only 3 Bishops against this restrictive proposal, which was carried by 137 to 60.

The Lords then (by Go to 55) made District Councillors ex-officio members of the Parish Council. The desire for ex-officio members on elective bodies amounts to a passion with the Tory party.

The success of the first night’s work was, however, to come—on Lord Selborne’s proposal as to meetings in schoolrooms. The Bill provided that when no other public room is available the schoolroom of any school in receipt of a Government grant could be used for meetings (a) as to allotments, (b) by candidates for Parish Councils, and (c) for administrative purposes.

This most reasonable provision was soon swept away. In vain it was pointed out that in many cases the only alternative to the schoolroom was the public-house. "Well," said Lord Salisbury, "why not?" All this objection to the public-house was "a mere piece of Puritanical humbug." The Archbishop of Canterbury spoke on the same side. Two Archbishops and 13 Bishops voted in support of the public-house against the public schoolroom, and Lord Selborne’s amendment was carried by 14S to 2S.

The second day in Committee was chiefly occupied with the allotment clauses, to which, as might be expected, the House of Landlords greatly objected.

The Liberal plan for acquiring land compulsorily was this: The Parish Council made a representation on the subject to the District Council. The District Council inquired into the matter and reported to the Local Government Board, who were empowered to make an order for the purchase of the land without any application to Parliament.

After Lord Winchilsea had substituted the County for the District Council, Lord Salisbury proposed that instead of a Local Government Board order, a Provisional Order requiring confirmation by Parliament should be necessary.

He would not be a party to “surrendering the guarantees which property has always had.” The Earl of Selborne suggested that it might be left to the County Council. This didn’t suit Lord Salisbury at all—it was not difficult and expensive enough.

"Let them think," he said, "of the case of Wales, and having seen something of the operation of the County Council in that principality, consider how far it would be fair to landowners and large farmers to trust their interests entirely to those bodies."

This merely meant, of course, that nearly all the Welsh County Councils have Liberal majorities. Equally, of course, Lord Salisbury got (by 150 to 54) his Provisional Order. It need hardly be added that a Provisional Order costs a great deal of money, and involves much delay. It is because it is costly and dilatory that Lord Salisbury insisted on it.

The clause was finally mutilated by the Duke of Richmond’s motion striking out the words which secured that no compensation was to be paid on account of the land being taken compulsorily. This was carried by 114 to 21.

The hiring clause was wrecked in a like manner, and thus the easily workable allotment clauses were altered in such a way as to make them practically useless.

The third day in Committee was largely spent on the compounding householder question, but time was found for spoiling the Charities Clause. The sub-section embodying Mr. Cobb’s amendment, ana giving to the
Parish Council the right of appointing a majority of the trustees for Parish Charities, was struck out by 80 to 19.

Lord Harrowby completed what Lord Selborne had begun by getting a new clause carried (by 103 to 23), omitting from the Bill all charities, vested in a minister either of the Church of England or of any other denomination. This kept under the control of the Church a host of charities which ought to be managed by the parish.

Lord Salisbury refused to strike out the clause by which magistrates were to be no longer ex-officio Guardians. Lord Salisbury's reason reminds one of the incompetent judge of whom it was said that even when he was right, he was right on wrong grounds. Lord Salisbury threw over the magistrates—because they might in future be appointed for party reasons! Now that the county bench is no longer to be a Tory landlord preserve, the Tories have to find some new mode of defending the sacred rights of property. It isn't safe any longer to look to magistrates who may not be Tories.

The fourth day opened with the creation of some more ex-officios—County Councillors were to sit on Boards of Guardians, and Local Government Board nominees on the London Boards of Guardians were to be retained. More stumbling-blocks in the way of the elective system.

On the Tory proposal as to the compound householder, even the Duke of Devonshire revolted, and Lord Salisbury had to give way with the best grace he could after declaring that the principle of the Bill is to enable those who are not rated to rate those who are."

The Tories soon made up, however, for lost time. By 54 to 18 the clause was struck out by Which Chairmen of District Councils were to be magistrates. By 107 to 26 the Lords cut out the clause by which the London Vestries were to be elected on a demo cratic basis.

One of the excuses given for cutting out the reform of the London Vestries was that its effect was not sufficiently considered in the Commons. But this was a mere excuse The Lords did not hesitate to mangle clauses to which the House of Commons had given many days of discussion.

Thus ended a week's work at wrecking, and such would have been the Bill if the Lords had been allowed to have had their way.

The Liberal party, however, rejected all these amendments, and sent the Bill back to the Lords.

After much sending of the Bill backward and forward the Lords withdrew all the amendments to which the Commons seriously objected, excepting two: that 300 instead of 200 be the limit of population above which a village was obliged to form a Parish Council, and that in the case of non-ecclesiastical charities, where none of the trustees are elected directly or indirectly by the ratepayers, the Parish Council may only elect additional trustees as allowed by the Charity Commissioners. These were accepted under protest by the Commons.

It was in announcing the decision of the Government to accept these amendments under protest that led Mr. Gladstone, in the last speech he ever made in the House of Commons, to make his famous declaration of war against the House of Lords. He said:—

The question now is, whether the judgment of the House of Lords is not merely to modify but is to annihilate the whole work of the House of Commons—work which has been performed at an amount and sacrifice of time, labour, convenience, and perhaps health, totally unknown to the House of Lords. . . . We are compelled to accompany that acceptance [of these amendments] with the sorrowful declaration that the differences not of a temporary or casual nature merely, but differences of conviction, differences of prepossession, differences of mental habit, and differences of fundamental tendency between the House of Lords and the House of Commons appear to have reached a development in the present year such as to create a state of things of which we are compelled to say that in our judgment it cannot continue. . . . The issue which is raised between a deliberative Assembly, elected by the votes of more than six millions of people, and a deliberative Assembly occupied by many men of virtue, many men of talent, of course with considerable diversities and varieties, is a controversy which, once raised, must go forward to its issue. No doubt there is a higher authority than the House of Commons. It is the authority of the nation, which must in the last resort decide. —(March 6, 1804.)

In the same year, acting under the sinister guidance of Lord Balfour of Balcanes, the Lords made hay of the Scotch Parish Council Bill which the Government perforce accepted "under the pressure of superior numbers."

The jealousy of the House of Lords towards local governing bodies has been conspicuously demonstrated in its dealings with the London County Council. Although this body was brought into existence as the result of a measure passed by a Conservative Government, the Peers have ever acted as churlish obstructors of their own creation.

A whole chapter might be devoted to the dealings of the House of Lords with London. But their opposition to bringing the tramways across the bridges and along the Embankment is too recent to be forgotten, and as for their previous acts of hostility, it may be sufficient to quote here the words of the late Lord Hobhouse, himself a member of the House of Lords, although he had but slight respect for his fellow legislators. He says:—
In the session of 1893 there arose in the House of Lords what is known as the Betterment question. The London County Council had for some years been endeavouring to levy a special impost on properties enhanced by the expenditure of London public funds. After some objectionable plans, they produced one, on which in the Council itself there was no dissent, and which was approved by large majorities in the House of Commons. Now for some reason or other the London Council has from the moment of its birth been the object of extreme animosity among the Conservative party and in the House of Lords. When this measure came before the Lords it was practically (the exact form may be passed over) thrown out without examination. Their formal plea was that such proposals ought not to be made in a private Bill. The arguments presented were denunciations partly of something which, in the absence of examination, was supposed to be the measure, and partly of the London Council itself. Before the question came on again I took pains to make a detailed statement of facts, from which I showed—first, that the House, refusing a proper examination by Committee, rejected the proposal under glaring misconceptions of its nature; and secondly, that its action was unusual, harsh, and productive of great public inconvenience. I further showed that in the same session the Loudon Council had come to ask for just five things beyond their ordinary requirements—viz., the opening of Lincoln's Inn Fields; permission to spend some money on important inquiries; a voice in the conservancy of the Thames; a more adequate voice in the conservancy of the Lea; and Betterment. All five were granted by the House of Commons, and all five refused by the Lords.

Chapter XII.

How they have Governed Ireland.

When any attempt is made to estimate the exact influence which the House of Lords has had upon legislation, its advocates uniformly resort to a disingenuous defence to which the tactics of the Upper House lend some colourable pretext. Thus when the Peers are accused of having secured the defeat of this measure or of that, their apologists indignantly protest that this cannot be true because the House of Lords never rejected the Bill. Hansard is appealed to for proof that their lordships read the Bill a second time, and that no motion directly fatal is to be found in the journals of the House. Nay, they even are able sometimes to point triumphantly to the fact that the coup de grâce was given to the Bill by the House of Commons on the motion of the authors of its being.

Upon this specious sophistry the recent action of the Peers in dealing with the Education Bill of 1906 casts a flood of light. The Peers read the Education Bill a second time, they passed it through all its stages, and the final vote which terminated its existence was given in the House of Commons. But every one knows that, despite all that, it was the Lords who wrecked the Bill. They wrecked it by turning it inside out. They "reconstituted" it, as Mr. Asquith wittily said, as a man would reconstitute the Ten Commandments if he transferred all the nots from the negative commandments to the positive. They refused to reconsider the Bill when the Commons restored it to its original shape and sent it back to be decently interred by the Ministry and the House of Commons. Yet an adroit apologist—some future Sir W. T. Charley—will succeed by verbal juggling and apparently conclusive quotations in convincing some future generation that the whole of the responsibility for the failure of a Bill abolishing tests and establishing public control over public schools lay at the door, not of the Lords who wrecked it, but of the Commons who passed it.

Another favourite subterfuge of the advocate of the Lords who has to make the best of a very bad case, is to point to the fact that the foundering of Liberal measures in the House of Lords was not due to the hostility of the Peers, but simply and solely to the fact that there was not enough time for their consideration. It is, of course, obvious that if there had been no House of Lords the measures would have passed into law. The existence of the Second Chamber in this way acts as an automatic brake upon legislation. But the Lords are not content with the delay necessarily entailed by the duplication of machinery. They are experts in all the wiles of plausible obstruction. One of their favourite devices is to refer measures to a Select Committee, whose report is delayed until it is too late to proceed with the Bill in that session. Another is so to transform the Bill by amendments in Select Committee that the other House has no time to consider them "at this late period of the session." Therefore, cries the Peers' apologist with delight, "it was the Commons, not the Lords, who threw out the Bill. It is not the Peers who defeat Bills, it is Father Time." It would be as honest to say when you have drowned a man by holding his head under water that you did not kill him—it was done by the sea.

When some particularly obnoxious amendment has been grafted upon a measure by the Peers, who have compelled the Government to accept it on penalty of losing the Bill, the submission of the Ministry is quoted as
conclusive evidence that the guilt is chargeable to them, not to the Lords. "You object to this amendment, do you?" they say. "But perhaps you do not know that Mr. Gladstone accepted it; that Lord Granville said civil things to its authors," and so forth. It would be just as reasonable to argue that a man recognised the right of a highwayman to the purse of his victim. "Your purse, do you say? Why, with my own eyes I saw you hand it to the gentleman on horseback, who wore a mask and was holding a pistol to your head. And so far from your denying his right to the purse, you addressed him quite civilly." Every Liberal Government who endeavours to carry a measure of reform through the Peers is in the position of a coachman on Hounslow Heath when Claude Duval or Dick Turpin rode up to the coach. Their passengers may escape with their lives, but at a price, which the highwaymen alone have the power to fix.

The old oft-quoted saying of the Tsar that Russia relied upon her two Generals, January and February, may be applied, with the alteration of the month, to the House of Lords. They rely upon their Generals, July and August. When the month arrives which is sacred to the slaughter of grouse, the Lords never have time to discharge their legislative duties. The call of the moors is sounding in their ears. How unreasonable to expect them to postpone the rapturous delight of butchering birds to the discharge of the irlsome and distasteful task of legislating for the needs of a nation! So year after year measures have been sacrificed in order that the Peers may enjoy themselves after the custom of their kind. If only the choking of a measure by the Thugs of legislation postponed it just for a single year, the evil, although great, might be borne. But every tyro knows that the time of the House of Commons being limited, and the pressure of circumstances varying constantly, the rejection of a Bill one year often effectually prevents its reappearing for many a year. Liberal Ministries, with the best goodwill in the world, are often unable to spare time in subsequent sessions to pass the Bill defeated on the specious plea of lack of time through all its stages in the House of Commons choked with pressing business. If all Bills dropped in one session for lack of time could be taken up at the same stage in the following session, the evil of obstruction in the Lords might not be absolutely intolerable. But as things are, the refusal to pass a Bill entails upon it the ordeal of running the gauntlet through the House of Commons, a process which may lead to its destruction by obstruction, and which will certainly lead to the obstruction of other Bills equally detested by the House of Lords.

Yet if any Bill obstructed out of existence by the Peers does not reappear for a term of years during which Liberal Ministries have been in power, the fact of its non-appearance is triumphantly adduced as evidence that public opinion was not ripe and that the inaction of the Liberal Governments was a conclusive confirmation of the wisdom of the Peers. The fact that the legislative capacity of the overburdened House of Commons is strained to the uttermost, that legislation is constantly in arrear, that the grossest abuses are allowed to continue from sheer lack of time in which to terminate their existence, that hosts of grievances remain unredressed, that the recommendations of scores of Royal Commissions and Select Committees are never acted upon—these things are largely due to the obstructive action, partly automatic, partly mischievous, of the House of Lords. To allow that House to plead that it was not to blame for delaying a necessary reform for years because it only rejected it once would be to allow the evil-doer to invoke the consequences of his own crimes to justify their perpetration.

The House of Lords is the great Baby Farming branch of our legislative establishment. It is conducted on much the same principles as those of the notorious institutions which flourish for the "making of angels." The proprietors are experts in the art of doing to death the unlucky infants confided to their care. They do not cut their throats. Neither do they poison them. They love the little dears so much that they go to no expense in dosing them with paregoric. But somehow or other the children die. Of course it is a natural death, due to the reconstitution of the contents of their little Marys, due to spare diet and unnatural food. But infanticide! Oh, fie! The poor babes were rickety to begin with, and it was not the fault of their kind foster-parent if the regular diet of the establishment disagreed with them. Besides, they do not always die in their hands. They are sent home to the authors of their being, and if anything happens then, it is the parent, not the baby-farmer, who is to blame. But now and then some hideous scandal occurs, like the rejection of the Education Bill, within a year of the General Election, and then comes the coroner's inquest. Such an inquest has now been opened, nor is there much doubt as to the verdict of the jury.

These observations lead up to the consideration of the action of the House of Lords in its dealing with all political, social, and religious reforms, but especially with those which concern Ireland. If Ireland has been the despair and the disgrace of the Empire, it is largely due to the fact that in dealing with Irish questions the House of Lords has been, down to 1870, the predominant partner. England, Scotland, and Wales have been governed by the House of Commons, Ireland has been abandoned to the tender mercies of the House of Lords. In the contrast between the prosperity and content of Great Britain and the misery and discontent of Ireland we see the natural and inevitable result of the two systems. The power of the Lords to mar British legislation has constantly been limited by their dread of a turbulent agitation at their own doorsteps. But Ireland was too far away to trouble their aristocratic serenity. In Great Britain intimidation, the only real check upon the power of
the House of Lords, can be, and has been, and will be, freely and effectively employed to bring the Peers to heel. But all Ireland might be reeking with incipient revolt, and it would hardly ruffle a rose-leaf under the head of an English peer who had no estates in Ireland. Even then he would not feel it much. The famous remark of the nonchalant absentee who wrote to his tenants, "If you think you can intimidate me by shooting my agent you make a very great mistake," sums up the situation exactly. The Irish cannot intimidate the Peers, or rather they could not until Michael Davitt discovered that Rent was their Achilles heel. Hence Irish reforms are never made until it is too late for redress to remedy wrong or restore content.

The difference between having to deal with a House of Lords in your own country and a House of Lords in another country was strikingly illustrated by the different way in which the Irish and the British Lords dealt with the question of Catholic emancipation. In 1792 and 1793 the Irish House of Lords passed almost unanimously measures which admitted the Roman Catholic peasantry to the Parliamentary suffrage, and to juries, and relieved them of all property qualifications. But when the Union was carried and the control passed into the hands of the British House of Lords and of a House of Commons practically nominated by the Peers, there was no such readiness to recognise the justice of the Catholic claims.

The Irish question is peculiarly a Catholic question, for eight Irishmen out of ten belong to the Roman Church. Irish discontent was the natural result of Protestant intolerance, but the ascendancy of an alien sect was jealously maintained by the Lords. When Lord Cornwallis reported to Mr. Pitt that he could carry the Union, but not the participation of the Roman Catholics in all the privileges of the Protestants of Ireland, Mr. Canning exclaimed, "Then if I were you I would refuse both; I would not have one without the other." Mr. Pitt rebuked Mr. Canning for his intemperance; but Earl Russell, nearly fifty years later, after long experience of the results of taking one without the other, declared from his place in Parliament, "I own that in reflecting upon what then passed I very much doubt whether the youthful judgment of Mr. Canning was not wiser than the mature decision of Mr. Pitt."

The House of Lords did its best or its worst to defeat the recognition of the rights of the Roman Catholics. One memorable instance was typical of all that followed. Catholic Emancipation, regarded by Mr. Pitt as one of the essential conditions of the Union, was postponed until concession lost all its virtue. The responsibility for this, no doubt, must be shared with the House of Commons, which in those days was but little better than the creature of the aristocracy. But in 1825 even the unreformed House of Commons could no longer resist the claim of the Catholics to be admitted within the pale of citizenship, and the Catholic Relief Bill was carried by a majority of twenty-one. "Even in 1825," said Lord Macaulay, speaking nineteen years after, "it was not too late. The machinery of agitation was not yet fully organised; the Government was under no strong pressure, and therefore concession might still have been received with thankfulness. That opportunity was suffered to escape; and it never returned."

How was it suffered to escape? By the action of the House of Lords. They rejected the Relief Bill by a majority of forty-eight. Three years later the House of Commons again sent up the Bill, which admitted eight-tenths of the population of Ireland within the pale of the Constitution. Once more the House of Lords rejected the Bill. In 1829 the concession refused to justice was made "reluctantly, ungraciously, under duress, from the mere dread of civil war." "The Irishman," said Macaulay, "was taught that from England nothing is to be got by reason, by entreaty, by patient endurance, but everything by intimidation. That tardy repentance deserved no gratitude and obtained none." The House of Lords, by its repeated rejection of the Relief Bill, and not less by its sudden capitulation, had led the Irish to believe that "by agitation alone could any grievance be removed." The lesson has not been forgotten, even yet.

The attitude of the House of Lords in relation to the administration of Ireland has been in strict keeping with the opposition which it has uniformly offered to all recognition of the claims of the Catholics. It is significant that the first popular movement for the abolition or reform of the House of Lords since the Reform Act was headed by O'Connell and was based chiefly upon the impossibility of securing from the Second Chamber any measure of justice for Ireland. O'Connell declared in 1835 in his place in Parliament, that in dealing with Ireland the Lords "treated everything of conciliation or justice with contumely and contempt" and his language, although strong was borne out by the facts. A retrospect of the contribution which the Peers have made to the government of Ireland brings out the fact that the function of the Second Chamber for half a century has been to emphasise every demand for repression, and to mutilate postpone, or reject every measure extending to the Irish the rights and privileges enjoyed by their fellow-subjects in England and Scotland. No small portion of the difficulties of Irish government has arisen from the inability of the English people to secure the acceptance of just laws for Ireland by the House of Lords until long after, the opportunity had passed when concession might have been efficacious in removing discontent.

"Why are the Irish discontented?" once asked O'Connell in the House of Commons. "Because," he replied, "for seven hundred years England has governed them by a faction and for a faction." To secure the perpetuity of that mode of government has been a constant preoccupation of the Peers. They have at least secured a
After the Emancipation Act was passed it was some time before its spirit was recognized in the Administration. For years after it received the Royal Assent the Roman Catholics were virtually excluded from the government of Ireland. To this day the justices of the peace in Ireland are selected chiefly from the minority of the population, but in 1833 there was not in all Ireland a single Catholic judge, grand juror, inspector, or subinspector of police. There was only one Catholic sheriff. The overwhelming majority of the unpaid magistrates were Protestants. The towns were ruled by Protestant cliques, corrupt and bigoted. "The favourable or the hostile mind of the ruling power," said Burke, "is of far more importance to mankind for good or evil than the black letter of any statute." The mind of the ruling power was hostile to the Irish Catholics, and every attempt to give effect to the spirit of the Emancipation Act was opposed by the House of Lords. In 1839 this opposition assumed the shape of an informal vote of censure, which led to the counter-motion in the Commons, in support of which Earl Russell made a speech on the government of Ireland which might be read with advantage by many of our statesmen to-day, so plainly did the old Whig lay down the principle that "nothing firm or stable was possible in Ireland unless the Government secured the good-will and confidence of the Irish people." But the Lords did not confine themselves to censuring the Executive for attempting to govern Ireland "according to the wishes of the people of Ireland." "Every Bill," said Macaulay in 1841, "framed by the advisers of the Crown for the benefit of Ireland was either rejected or mutilated." That Macaulay did not exaggerate may be seen by a reference to Hansard.

The conduct of the Lords may be illustrated by their dealings with the Church Establishment. In 1833 the Government of the day passed the Church Temporalities Act; but, instead of appropriating the surplus revenues of the alien Establishment to the furtherance of purposes approved by the majority of the nation, the Appropriation Clause was abandoned from fear of the Lords. The Tithe War of fifty years ago had brought Ireland to the verge of anarchy. Coercion of the most rigorous type had been tried and found utterly wanting. In 1834 the Commons passed a Tithe Bill for Ireland. O'Connell declared on its third reading that the Bill "would form a new epoch in the history of the government of Ireland. This was the first great step towards a conciliatory system in Ireland. He hoped no attempt would be made to blast the first step made towards the pacification of his country." Six days later the Bill was summarily rejected by the Lords, by a majority of 189 to 122.

The next year the Tithe Bill was again sent up to the Lords. They struck out the clause appropriating a portion of the ecclesiastical revenues to the religious and moral instruction of all classes of the community, thereby securing the abandonment of the Bill. In 1836 the Commons a third time sent up the Bill to the Lords, and the Peers again defeated it by the elimination of the Appropriation Clause. In 1837 the Tithe Bill was read a second time by the Commons, but the death of the King saved the Lords the trouble of rejecting it. In 1838 the fifth Bill dealing with the question of Irish Tithes was introduced into the House of Commons. To secure its acceptance by the House of Lords, the Government assented to the elimination of the Appropriation Clause. The alien Church was to keep all its endowments; not one penny was to be devoted to the education of the people. The Lords triumphed, and the Church of Ireland was saved—for a time.

The sequel of the victory was not seen for thirty years. In 1868 the House of Lords rejected Mr. Gladstone's resolutions demanding the disestablishment and disendowment of the Irish Church. It was their last effort. In the following year the second reading of the Disestablishment Bill was carried in the Upper Chamber by 179 votes to 146, and the Establishment which the Peers had refused to adapt to the wants of the nation in 1838 was swept away altogether with their assent in 1869.

The way in which the House of Lords dealt with the subject of the Irish franchise affords a good illustration of their general policy. When Roman Catholic Emancipation was wrung from the House of Lords in 1829, the concession was only made on condition that the forty-shilling freeholders should be disfranchised, a stipulation which was insisted upon before the Bill was accepted by the unreformed House of Commons. Without that stipulation even the dread of civil war would not have overcome the objection of the Peers and their nominees in the Lower House to admit their Catholic fellow-subjects to the privileges of citizenship. The spirit of jealous antipathy to every extension of the franchise in Ireland has been one of the distinguishing characteristics of the Second Chamber. The Government of Earl Grey, after passing the Reform Act of 1832, lowered the suffrage in Ireland; but, so far from treating Irishmen as Englishmen, the result of the Irish Reform Act was that only 5 per cent. of the adult males in Ireland in 1839 possessed the franchise. In England the percentage of voters was nineteen, or nearly four times as great as in Ireland. In 1841, and again in 1848, English Ministers admitted the scandal of the excessive limitation of the Irish electorate, but nothing was done. The Bills were dropped. With the fate of the Corporations Bill fresh before them, Ministers naturally did not care to push forward measures certain to be rejected in another place. It was the experience of many years which led O'Connell to tell the Commons in 1839, "Though a majority in this House may be disposed to do us something like justice, all your efforts will be frustrated by the other branch of the Legislature."
In 1835 the House of Commons sent up to the Lords a measure simplifying the Irish registration system. The indirect effect of this was considerably to increase the numbers of voters in Irish constituencies, by relaxing the reactionary stipulations of 1829 and 1832. The Peers threw it out by a majority of exactly three to one, 81 voting against it and only 27 in its favour. Forty-five years later another Irish Registration Bill intended to secure the same object as that of 1835—the assimilation of the English and Irish system—was thrown out by a vote of 42 to 30. The influence of the Peers has always been used in favour of restriction. This tendency appears in small matters as well as great. In 1837, on the eve of the General Election, a Bill was sent up to them by the Commons to enable returning officers in large towns to increase the number of polling-places, for in Ireland the limited number of polling-places, coupled with the absurd oaths and formalities insisted upon by the law, involved the practical disfranchisement of no inconsiderable proportion of the very limited number of electors. It was rejected by the Peers by a majority of 74 to 36.

The condition of the Irish electoral system, which the Lords repeatedly refused to permit the Commons to reform, may be inferred from the following extract from one of Mr. Bright's speeches in the session of 1848: "In the whole of Ireland there were not 60,000 electors—probably not 40,000—among a population of 8,000,000. In the city of Dublin there were 21,000 names on the electoral roll, and perhaps not more than 7,000 of them entitled to vote. The registration took place once in eight years. The elector must pay at least six rates before he could register his votes, some said ten; and he had been informed on good authority there were no less than fifteen of one sort or another." Year after year the House of Commons admitted the necessity of a change; but it was not till 1850 that the franchise was reduced and the registration reformed. The Bill sent up from the House of Commons proposed to fix the franchise at an £8 rating qualification. At that time the percentage of electors to adult males, which in England was 28, in Wales 32, and in Scotland 25, was in Ireland only 2. The £8 rating franchise would have added 264,000 electors to the register. The Lords struck it out, and substituted for it a £15 rating, reducing the numbers to be enfranchised to 120,000. To save the Bill the Commons consented to fix the limit at £12, which enfranchised 172,072. The compromise excluded 90,000 Irishmen from the privileges of citizenship. A vigorous attempt was made to restore the £15 rating by the Lords. Sixty-two voted in favour of Lord Stanley's proposition to that effect, and fifty-six against it. Proxies, however, turned the scale, and the £12 compromise was accepted by 126 to 115. The clause establishing a self-acting method of registration was struck out by the Lords, restored by the Commons, and reluctantly assented to by the Upper House.

Fifty years ago O'Connell and the Irish popular party demanded the English franchise. In 1844 even Sir Robert Peel declared his conviction that "Great Britain and Ireland should be placed upon the same footing and upon an equality as to civil and political liberties. But as the net result of half a century's struggle for representation the Irish borough franchise was fixed in 1867 at £4 rating, instead of household suffrage. Of the Irish borough population only 1 in 18 had a vote. In England the proportion is 1 in 7. Even in English counties it was 1 in 14. It was not till 1884 the equalisation of franchise of the two countries was accomplished.

Municipal reform in Ireland was not less strenuously resisted by the Peers than the reduction of the franchise. In 1835 the scandal occasioned by the corrupt, unrepresentative character of the Irish corporations led the House of Commons to demand that the principle adopted in England should be extended to Ireland. The Lords in 1835 had consented to reform the whole of the English corporations; but when, in the latter year, they were asked to meet out to Ireland the same measure that they had meted out to England, they refused. The Irish Municipal Reform Bill passed through all its stages in the Commons. It failed to make its way through the Lords. In 1836 the Commons again passed the Bill through all its stages, only to have it mutilated out of all recognition by the Lords. One hundred and six out of its one hundred and forty clauses were struck out, and the Bill was abandoned. In 1837, for a third time, the Commons sent the Bill up to the Lords. The Lords adjourned its consideration from May to June, and then again from June to July, when the Bill dropped. The Commons in 1838 sent the Bill up a fourth time, hoping that in exchange for the abandonment of the Appropriation Clause the Peers would pass the Municipal Bill. They were disappointed. The Lords raised the franchise from £5 to £10, and restored the rights of the freemen, alterations that led to the abandonment of the Bill. In 1839 a fifth attempt to secure municipal government in Ireland met with the same fate, although the Government offered to accept an £8 franchise. "Give us the English municipal franchise!" was the cry of O'Connell; but not even the House of Commons dared to place all Irish householders in towns on the burgess roll. The House of Lords in 1840 insisted upon fixing the Irish municipal franchise as high as £10, and, wearied out by six years' fruitless attempt to secure English privileges for Irish municipalities, the House of Commons gave way, and nine-tenths of Irish borough householders outside Dublin remained down to 1884 without that voice in the municipal government of their own town which they enjoyed as a matter of course when they migrated to an English or Scotch borough.

Earl Russell, speaking of the pledges given by England and Ireland when the Union was concluded, said:—"The promises which were made at the time of the Union were that Ireland should be placed upon an
equality with England, and that she should be governed upon the same principles and should enjoy the same
rights and privileges." They enjoyed equality when the law entailed disabilities, not when it conferred
privileges. Take the penal laws, for instance, which, although common to the whole country, chiefly affected
Ireland, where the immense majority of the population were Catholics.

The Penal Laws remained unrepealed till 1844. The action of the Lords in that year illustrates the
difficulty—the permanent difficulty—of doing justice to Catholics through such an instrument as the House of
Peers. The Penal Laws Repeal Bill of 1844 was introduced to the Lords in July. The measure repealed the
whole of the Acts which made it penal for a Roman Catholic to attend mass, and high treason to recognise the
spiritual supremacy of the Pope, which forbade Catholics to bear arms or to own a horse valued at more than
£5, which punished Catholics who taught children to spell without a licence from a Protestant bishop, and
sentenced to transportation for life those who administered the vows of any monastic Order to a subject of the
Queen, and which fined Catholics who did not attend Protestant service, and forbade the use of sacerdotal
vestments outside the Catholic chapels. When it came before the House of Lords it was so vehemently opposed
by the Bishop of London—the bishops have always been worse than the temporal Peers—that the Lord
Chancellor was compelled to remodel the measure by leaving out all "the objectionable clauses." Even this did
not remove the objections of the Bishop; but the expurgated Bill was allowed to pass into law. The clauses
which were thus sacrificed to propitiate the Peers left unrepealed the old Acts fox bidding Catholics to teach
without a licence from a bishop of the Establishment, to wear sacerdotal vestments outside church, and to
educate their youth as Jesuits, as well as those prohibiting members of any monastic Order setting foot within
the Queen's dominions without a licence from the secretary of State.

These laws, it may be said, were dead letters, although they might be put in motion by any informer; but the
less vitality they possessed the less excuse had the House of Lords for perpetuating in the Statute Book these
moulderling monuments of the bigotry of the sixteenth century.

Even that apology, however, fails in the case of the Marriage Laws. In 1835 the Commons proposed to
repeal the law which permitted any scoundrel married by a Catholic priest to repudiate his wife when he
pleased, by proving that he had attended a Protestant place of worship within twelve months of his marriage.
This prostitution of the marriage service for purposes of seduction in the name of Protestantism was maintained
by the Lords by a majority of 42 to 16. Even the House of Lords, however, could not long resist the demand for
a removal of this odious "privilege," and after a time they annulled their vote by passing a Bill similar to that
which they rejected in 1835. The spirit which promoted the vote in favour of the Penal Laws long lingered in
the Upper House.

Thirty years after the vote on the Marriage Bill, Lord Derby secured the rejection, by a majority of 84 to 63,
of the Bill relieving Roman Catholics from the oath of abjuration imposed on their representatives in
Parliament by the Act of 1829. It was only an insult, but even an insult could not be surrendered without a
pang. The same spirit of intolerance was even more painfully displayed in matters concerning the
administration of justice. In 1839 the Lords, after a long and angry debate, solemnly passed a vote of censure on
an Irish judge, Sir M. O'Loghlen, because he had given directions that no juror should be set aside merely on
account of his political and religious opinions.

The catalogue of the misdeeds of the Lords in thwarting the redress of Irish and Catholic grievances might
be extended to almost any length, but considerations of space forbid any attempt to present more than the
salient heads of the indictment which history brings against their system of administering Ireland in opposition
to the wishes and ideas of the Irish people.

A whole chapter might well be devoted to a statement of the damning record of the case against the Peers
for their treatment of the Irish Land question. The House of Landlords has, from first to last, legislated in its
own interests. In their legislation for the tenants it was as if foxes were legislating for the welfare of the geese.
This characteristic is the distinguishing note of all their actions, from the beginning of last century down to
1909. In the year 1906 they mutilated the Town Tenants Bill to such an extent that nothing but the firmness of
Mr. Bryce and the exasperation of the House of Commons induced the Lords to swallow their own amendments
and pass the Bill substantially as it was sent up to them. Last year they mutilated the Irish Land Bill to such an
extent that even at the last week of the session its fate trembled in the balance. The Irish Land question is one of
such intricacy and complexity that it would only weary the reader to pass in review all the obtrusive acts of
the Peers from the day when their policy of delay defeated Mr. Brownlow's Bill for the drainage of bogs and the
reclamation of waste land, in 1830, down to the present day. But there are two great landmarks which can never
be passed over, even in the most cursory survey of the history of the Irish Land question.

In its essence the Irish Land question is, whether the Irish landlord shall or shall not be allowed to steal the
property of his tenant. This was done sometimes by confiscating their improvements on the termination of their
tenancy, at other times by raising their rent upon the improvements made by the tenant. The first attempt to
prevent the former form of robbery was recommended by the Devon Commission as far back as 1845.
In 1843 this Commission was appointed; and after two years' investigation of the Irish Land question, it reported strongly in favour of legislation to secure the tenant compensation for his improvements. In 1845 Lord Stanley brought in a Bill, based upon the report of the Devon Commission, giving the tenant compensation for improvements made with the consent of the landlord, or even without his consent, if they had been sanctioned by a Commissioner of Improvements, who would also be charged with the duty of awarding fair and equitable compensation in case of eviction. The Bill was read a second time on June 24th, in spite of the vehement protests of the Irish landlords, and referred to a Select Committee. This Committee practically insisted upon turning the Bill inside out. On July 15th Lord Stanley abandoned the Bill, in consequence of the strong feeling manifested both in Committee and in the House, and the difficulty of reconstituting it in the time available for the purpose. Thus a Bill introduced by a Conservative Government, based on the recommendations of a Commission which reported that "no single measure can be better calculated to allay discontent and to promote substantial improvements throughout the country," was unable to make its way through the Lords, and for twenty-five years Irish agriculturists had to put up with a land system which the Devon Commission declared inflicted upon them "greater sufferings than the people of any other country in Europe have to sustain."

In 1870 Mr. Gladstone made his first attempt to give effect to the recommendations of the Devon Commission. He had a long, tough battle with the Lords, who succeeded in mutilating the Land Act, although they dared not throw it out. One of their mutilations brought with it a grave Nemesis.

The Bill when sent up to the Lords contained the proviso that, although the claim for compensation for disturbance should be voided when the tenants were ejected for non-payment of rent, the Court should be empowered on special grounds to award compensation even in those cases. The Lords struck this proviso out. Mr. Gladstone declared that the stipulation was necessary, and the House of Commons reinstated it by a vote of 248 to 171. The Duke of Richmond and Lord Cairns pointed out that the effect of the clause would be that the Court would be empowered to decide against allowing a landlord to eject a tenant without compensation for disturbance if the latter could plead the failure of crops as a special ground for his inability to fulfil his obligations. Lord Granville and Lord O'Hagan in vain urged the importance of giving the Court power to soften the oppression under which the peasant might be placed, but they appealed in vain. The Lords decided to insist upon the amendment, and the Bill was sent back to the Commons. Mr. Gladstone said that the Government attached great value to the clause, but as the Bill might be lost by insisting on it he yielded, and at a conference between the Lords and the Commons "special causes was struck out, and it was decreed that compensation could only be awarded in cases of eviction for non-payment of rent when the Court certified that the non-payment was due to the fact that the rent was exorbitant. He was reluctantly compelled to sacrifice the clause as it stood to avert a rupture between the two Houses. The House of Commons gave way, and the Bill became law without the phrase to which the House of Lords had objected.

The consequences of this acceptance of the Lords' amendment were not fully revealed till the session of 1880. A failure of the harvest for three years in succession created one of the special grounds contemplated by the vetoed clause for interposing a judicial check upon the exercise of the landlord's right to evict the tenant without compensation. To remedy the injustice of allowing the landlord to use a famine as a means of effecting a clearance, the Government made an attempt to restore the clause abandoned in 1870 by the Compensation for Disturbance Bill of 1880. The Bill passed the Commons, but in the Lords, although the Peers were warned that its rejection would bring Ireland within a measurable distance of civil war, it was rejected by a majority of 282 to 51. To that vote can be traced the excessive exasperation of the tenants against their landlords which enabled Mr. Parnell to make the Land League supreme in Ireland.

Mr. Forster, who saw all too clearly the terrible consequences of the action of the Lords, blurted out in his rough way the indignation which he felt at the suicidal action of the Peers, and still more at the callous cynicism which led them to justify their action by the hollow pretext of want of time to consider it, the lateness of the session, etc. He said:—

"This was one of the matters in which especially noblesse oblige, and the House of Lords ought not to allege personal inconvenience to prevent Bills sent up from that House at any time of the session being thoroughly considered. . . .

They could not forget—at any rate the country could not forget—thos two facts: first, the Commons were the hardest-worked law-makers in the world; and secondly, that on the other hand probably there was no assembly of law-makers with so much power and so little personal labour as the House of Lords. They must not forget that they were the representatives of the people, and that the power which the Lords had was simply owing to an accident of birth.—("Forster's Life," vol. ii. pp. 248-9.)

The Lords smiled superciliously as is their wont, and the storm burst. Next year, when the Irish Land Bill went before the Peers, they did not dare to reject it. They read it a second time, and then proceeded to mutilate it. The Commons promptly rejected the Lords amendments. The Lords reinstated most of them, and then began a struggle between the two Houses. The situation was so desperate, however, and Mr. Gladstone so firm, that
most of their amendments were rejected. The only considerable blot that they made in the Bill was the rejection
of Mr. Parnell's clause staying evictions pending the application for a judicial rent. But if they had not been
overruled, the Bill would have been utterly spoilt. As it was, nearly all their alterations were in the wrong
direction. The Bill failed because it was not strong enough. All their efforts were devoted to weaken it; as a
consequence, it has needed repeated amendment.

This was strikingly illustrated the very next session. The Lords had struck out the only clause staying
evictions pending the application for a [unclear: udicial] rent. In 1882 the great and alarming increase of
evictions compelled the Government to bring in the Arrears Bill, for the protection of [unclear: enants] who
could not pay their arrears of rent run up in the years of amine. The House of Lords introduced an amendment
giving the land [unclear: ord] a right to veto the tenant's application for remission of his arrears, and further
mutilated the Bill. Mr. Gladstone stood firm, and rejected he Lords' amendments. Lord Salisbury wished to
throw the Bill out altogether, but he was deserted by his followers, and once more a measure of healing was
passed for the Irish tenant in spite of the protest of the majority of the Peers.

In 1894 the Lords rejected the Evicted Tenants Bill sent up from the House of Commons with the object of
saving the victims of the bad season of 1886, when it was admittedly impossible to pay rent in full, but for
whose evil case the law provided no remedy.

It only remains to complete this very rapid and imperfect survey of the way in which the House of Lords
has handled the Irish question, by a reference to the last occasion in which they thwarted the wishes of the
majority of the Irish people by rejecting Home Rule.

Mr. Gladstone introduced his first Home Rule Bill in 1886. It was defeated in the Commons, and in the
General Election of the same year he Home Rule Ministry was overthrown. But during the six years'
administration of Lord Salisbury which followed, the question of Home Rule was discussed incessantly, and
made the test question at bye-elections. It was the question on which the General Election of 1892 mainly
turned. Mr. Gladstone, being then returned to power, brought in his second Home Rule Bill in 1893. It was
carried through the House of Commons by a majority of 43 on the second reading. On September 8, 1893, it
was defeated in the Lords by a majority of 419 to 41 votes.

The action of the Peers on this occasion is not open to the same severity of censure as that to which their
conduct on other occasions has [unclear: justly] exposed them. They disregarded the declared wishes of a four
to one majority of the representatives of Ireland, it is true. But their [unclear: ation] was approved by a majority
of the representatives of Great Britain. Hence, when an appeal was made to the constituencies in 1895, their
Action was condoned, and the Unionists governed the Empire for the next ten years.

With the exception of the rejection of the Home Rule Bill of 1893, [unclear: he] House of Lords in its Irish
legislation has thwarted not only [unclear: he] will of Ireland, it has set itself in opposition to the wishes of he
majority of the English, Scotch, and Welsh representatives. The result, the tragic result, is written in the story of
Irish discontent. The [unclear: poral] was pointed out seventy years ago, but we have not yet taken it [unclear: o]
heart.

Addressing the ministerial majority which represented the English people in 1837, Mr. Roebuck said:—

You have tried on your knees to obtain justice for Ireland . . . and what has been our reward? Contempt
and scorn. Your enemies have trampled upon your measures; they have contemptuously delayed, changed, or
rejected them as the [unclear: umour] of their insolence suggested. . . . What ought you to have done? What
you [unclear: id] not dare to do. You should have boldly told the people of both countries that justice could not
be gained by either while an irresponsible body of hereditary legislators could at will dispose of the fortunes
and the happiness of the people. We have laboured in order to relieve the miseries of Ireland and if possible to
heal the wounds inflicted by many centuries of misrule. We have not advanced one single step. Every year sees
our labours rendered abortive by the headstrong proceedings of the House of Lords.

And as it has been so it will be until we clip the claws and draw the teeth of the hereditary enemies of the
Irish people.

**Chapter XIII.**

**Miscellaneous Misdeeds.**

HAVING dealt with the chief offences of the House of Lords under the leading counts in the popular
indictment, there remain still to be noticed, although in the most cursory fashion, some of their miscellaneous
misdeeds and misdemeanours which, although often of the first importance, do not lend themselves easily to
classification.

The first great outstanding blot on the escutcheon of the Peers is that the Peerage has become a Beerage. The decisions of the Upper Chamber are dictated by the Trade. The Licensing Bill of 1908 occupied the House of Commons for thirty-one sittings. It had the support of all the temperance organisations, including the Church of England Temperance Society. The Bishops voted for it in the House of Lords. It was carried through the House of Commons by 350 votes to 113. But Boniface and Bung decreed its doom and the Beerage Peerage threw it out by 272 to 96. The Trade decreed the defeat of the Budget because of the increased licence duties, and Lord Lansdowne once more proved himself to be the humble henchman of the Publican. Nor has the latter been ungrateful. Judging from placards displayed in various tied houses, the Brewer has already elevated his patron—and servant—to the throne of England. They run thus:—

The Marquis Of Lansdowne having decided to submit the Malicious Budget introduced by Mr. Lloyd George to the Wisdom and Judgment of the People, The Proprietor has much pleasure in announcing that All Beers are Reduced To The Popular Prices Existing before the introduction of the Finance Bill.

The second great blot on the record of the Lords is, that, although from their position and their pretensions they should have been a restraining influence when the Empire was threatened with unjust and unnecessary war, they have been just the contrary. The House of Commons, which is exposed to the full blast of the passions of a bellicose populace, has beer on the whole less eager for war than the House of Lords The record [unclear: o] the Peers in this matter is very bad, as the following entries show. In 1840 a motion condemning the Opium War was negatived without a division. The Lords went headlong into both the Crimean War and the war in South Africa. In this they were no worse than the Commons although there were some voices in the Lower House raised against both of these national crimes. But in 1857, when the House of Commons [unclear: con]-demned the Chinese War, the House of Lords refused to censure the Government that made the war by a majority of 146 to 110; and in 1864 when the House of Commons refused to censure the Government that refused to make war against Germany in aid of Denmark, the House of Lords carried a vote of censure by 177 to 168 votes.

The statesmanship of the Upper House, and its keen appreciation [unclear: o] the forces which were remoulding Europe, are aptly illustrated by that vote for war with Germany. Not less characteristic in the same year was their rejection of Lord Grey’s resolution deprecating war with Japan, and appealing for friendly intercourse with that nation. In 1878 they refused to censure the wanton war waged by Lord Beaconsfield in Afghanistan and in the following year they refused to condemn the Zulu War by [unclear: 156] votes to 61. When, after the fall of Khartoum, Mr. Gladstone’s Government decided to desist from any further attempt to crush the Mahdi, the Lords passed a vote of censure upon his Ministry by 189 votes to 68.

The House of Lords has always been for war. Yet, when in 1875 Mr. Gladstone took the first indispensable step in Army Reform necessary to make our army efficient for war, by abolishing purchase, the [unclear: Peer] hung up the Bill and only desisted from their opposition when [unclear: purchase] was abolished without their leave by Boyal Warrant.

Another evil blot upon the escutcheon of the House of Lords has been its indifference to the humaner tendencies which have transformed modern society.

At a time when our penal code was the scandal of the world for the indiscriminating barbarity of its punishments, the House of Lords was the resolute and unbending advocate of its worst atrocities. When, in 1810 even the unrefomed House of Commons passed a Bill abolishing capita punishment for thefts of 5s. from shops, the Lords rallied round the gallows and rejected the Bill. Next year they did the same thing. The [unclear: hangma] had no stauncher friends than the Peers, temporal and spiritual joining hands in the holy work of keeping up the number of his victims. Two years later, being still unrepentant, they again threw out the Bill, and again in 1818. When in 1820 they at last consented to abolish capital punishment for theft, they only did so on condition that if the goods [unclear: stole] exceeded £10 in value the thieves should swing as before. They kept [unclear: u] their defence of the gallows till after the Reform Act of 1832. Never [unclear: do] they seem to have taken the initiative in ridding England from a [unclear: penal] code of savage atrocity. Their only part was to check, thwart, postpone and impair the attempts of the reformer to humanise our laws.

This callous indifference to the promptings of humanity has shown itself in many other directions. In 1819 they refused to regulate [unclear: the] labour of the miserable little slaves employed in sweeping chimneys; Thirty years later they refused to abolish the cruel and unnecessary practice of sending children of tender age to sweep the chimneys. They opposed the earliest efforts to prevent cruelty to animals at the beginning of the century. In 1883 they refused to suppress pigeon shooting, [unclear: Fou] years before they threw out a Bill prohibiting vivisection by 97 votes to 16. They refused to condemn the introduction of Chinese labour into the mines of the Rand; and they have seldom betrayed any sympathy with the humanitarian movements which have appealed so powerfully to the generous instincts of the common people.

The House of Lords, in 1898, tried to deprive the conscientious objector to vaccination of the liberty
promised him by the Unionist Government and the House of Commons. They struck out the clause by 40 to 38. The Commons reinstituted it by 129 to 34. Thereupon the Lords, being strongly adjured by Lord Salisbury, reversed their previous vote by 55 to 45.

It might be expected that such an assembly would show the scantiest regard for the grievances of women. In 1838 the House of Commons passed a Bill giving the mother a right of access to her children when the misconduct of their father rendered it impossible for her to live with him. The House of Lords threw it out by eleven votes to nine, only twenty Peers thinking the subject important enough to be present at the discussion. The arguments used on this occasion were the usual stock sophistries by which the Peers usually endeavour to retard reform. When they are asked for assistance to pass the Plural Voting Bill they refuse to accept the principle of one man one vote until they are able at the same time to carry out the fuller reform of one vote one value. But never surely in the immeasurable and inconceivable absurdities of the obstructives of the Upper Chamber was there ever such a *reductio ad absurdum* of this favourite form of argument than that used by no less a personage than Lord Brougham! He argued that women suffered so many other grievances they had no right to ask to be relieved from this one. His words, quoted by Mr. Spalding, were as follows:—

*Could anything be more harsh or cruel than that a wife's goods and chattels should be at the mercy of her husband, and that she might work and labour and toil for an unkind father to support his family and children while the husband repaid her with harshness and brutality, he all the while revelling in extravagance and brutality, and squandering in the company of guilty paramours the produce of her industry? The law is silent to the complaint of such a woman.—* (Spalding's "House of Lords," p. 212.)

A wife is robbed by the law of her property, therefore let it also continue to rob her of her children. Could anything be more convincing? It convinced the House of Lords, which thereupon threw out the Bill.

It may be asked whether the Peers did anything to redress the robbery of a wife's property thus admitted by Lord Brougham. A whole generation of wives passed away before the question of protecting the property of married women was handled by the Peers. They did not take the initiative. In matters of justice and human right they never do. For the defence of property they are keen enough, but not of the property of the sex to which they do not belong, or the class which is unrepresented in the House of Lords. They remodelled Mr. Russell Gurney's Married Woman's Property Bill of 1870, so as to leave the old law of forfeiture on marriage intact, while providing for the removal of some of the more objectionable abuses to which it gave rise.

For twelve years the wives of Englishmen were mocked by this eviscerated measure. Then, thanks chiefly to the untiring exertions of Mrs. Elmy and of Mr. Bryce, sufficient pressure was brought to bear upon the Lords to induce them to grant in 1882 the protection to the property of married women which they had refused twelve years before.

When the Contagious Diseases Acts were enacted, and the womanhood of Britain were in revolt under the leadership of Mrs. Butler, it was in the Commons, not in the Lords, where the victory was won, the Bishops in this great moral issue proving themselves to be as weak a reed to lean upon as they have been in all other great causes which postulate the existence of a righteous ruler of the universe.

In the later phases of woman's struggle for justice and civic rights the Lords have played their usual *rôle*. The London County Council, having to act *in loco parentis* for many thousands of persons lodged in their great asylums, thought it well that women should share the parental responsibility. They elected two women as aldermen, who did admirable work. A judge, under strong sex bias, decided that they were not legally entitled to do the work. The London County Council asked Parliament to permit them to utilise the services of capable and willing women as councillors and aldermen. The House of Lords in 1898, by way of response, added a clause to the London Government Bill expressly excluding women from the London Borough Councils, although they had sat unchallenged on the Vestries which these Councils superseded. In 1904, waxing bolder in their defiance of the claims of justice, the Lords rejected by fifty-seven to thirty-eight a Bill which proposed to allow electors to elect the best candidates to seats on the local governing authorities, regardless of their sex.

The House of Lords has always contained among its members some of the most eminent lawyers of the country. Nevertheless, or perhaps as some would say on that account, it has retarded the progress of legal reform. Session after session it resisted the demands of the Commons for the abolition of imprisonment for debt. The Bill was rejected one year, referred to a Select Committee another, and abandoned for want of time a third. It was not without much reluctance and much wrangling with the Commons that they consented to remove that disgrace of our criminal law, which forbade a prisoner the benefit of counsel, and denied him copies of the depositions on which he had been committed. For years they prolonged the needless expenses and delays which stood between the poor and the cheap and speedy justice of the county court. They obstructed the reform of the Augean stables of the Court of Chancery. They repeatedly rejected measures simplifying the procedure of the common law courts in England and Court of Session in Scotland. They threw out the Bill extending the jurisdiction of the Court of Admiralty in 1839—an act which Lord Melbourne, who was not usually given to invective, declared was "one of the most disreputable and unprovoked acts of power that ever I
knew to be exercised." In 1875 they succeeded in compelling Mr. Disraeli's Government to abandon the attempt to complete the Judicature Act of 1873.

This rapid and imperfect survey of the acts of the House of Lords will help to explain why hereditary legislators are distrusted by the people—so distrusted that nowhere in the world but in Britain is an exclusively hereditary legislature to be found. But when all has been said of their miscellaneous misdeeds, Dr. Spence Watson spoke the truth when he declared in 1894:—

The question with the Lords is not one of their conduct in this or that special case It is the baneful and blighting effect of their power over legislation generally with which we have to do. No doubt all special manifestations of that power are annoying and irritating; whilst the perpetual strife between the two Chambers, the arrogant assumption of superiority on the part of that which is ironically called "the Upper," and the habitual but unprincipled surrender of the Tory Peers upon any violent expression of popular indignation, are unworthy, undignified, and unsettling. But the real evil to be remedied is the very existence of the power. That not only interferes with every question great or small, but it affects the very manner in which every question is formulated. We are concerned now with the disease itself, not with its symptoms, and it is the disease itself which demands immediate and radical cure. Were we asking this forty years ago. For forty years we have borne with a state of things which even then seemed intolerable.—("The House of Lords," Lib. Pub. Dep., 1894, pp. 2-3.)

Fifteen years have passed since then, and the nation is still bearing the same state of things. Are we going to continue bearing it for ever?
That is the question of the hour.

Chapter XIV.

The Moral of this History.

EXTRACT from the Journals of the House of Commons, 1649.

Resolved: That the House of Peers in Parliament is useless, dangerous, and ought to be abolished. And that an Act be brought in for that purpose.

Were the country, by large majorities in all four kingdoms, to pronounce in favour of the total abolition of the House of Lords, there can be no doubt the country would be obeyed. The Lords, to do them justice, have always given way to a genuine threat. If they were bidden to go, go they would, without putting anybody to the inconvenience of creating a sufficient number of noblemen to inflict the happy despatch. The majority of Radicals favour this solution as one which, though it may involve delay, is the cleanest job when done.—AUGUSTINE BIRRELL, Portsmouth, 1894.

The Lord Chancellor (Lord Loreburn), when Sir Robert Reid, repeatedly put forward the following method of reducing the Peers to submission:—

Here is this perfectly simple plan: A Liberal statesman, when called on by the Queen to form an Administration, is to refuse, except on condition that the Crown consents to make the necessary number of new Peers to enable him to carry his measures. Every member of the party is to refuse to support the Minister unless he insists on this condition. Every Progressive elector in the constituencies is to refuse to vote for any candidate who will not pledge himself to refuse that support. Thus the whole matter is within the immediate power of the constituents themselves. You say to your candidate, "Will you vote against any Minister who has not obtained from his Sovereign the right to make Peers?" You act in accordance with his reply, and the thing is done. That was the method by which the great Reform Bill was passed through the Lords.

How are we to face the situation? Of course, not by a dream of illegality in any form. Nay, more, while we abhor violence, in such a case as this I would even dissuade vehemence, which is quite unnecessary. What we want is determination—calm, solid, quiet, but fixed determination.—Mr. GLADSTONE, Edinburgh, Sept. 27, 1893.

The House of Lords Must Go.

As to how it can be made to go, without violence or without any straining of the Constitution, read No. 2 of "The Peers or People" Series—" How to Bell the Cat; or, a Short Way with the Lords.

The first fundamental principle is that we must look to the King to Sack Those Peers Who Have Sacked Themselves by their habitual contumacious contempt of the King's Writ of Summons in the last Parliament. This will get rid of four hundred of those backwoodsmen who do not put in ten attendances a Session. Then fill up with
the pick of the best men of the Empire, either as Life Peers, or, better still, as Lords in Parliament for the
duration of that Parliament.

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