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Title: Constructive Imperialism

Author: Viscount Alfred Milner Milner

Release date: April 22, 2005 [EBook #15681]

Most recently updated: December 14, 2020

Language: English

Credits: Produced by Jonathan Ingram, Jeannie Howse and the Online Distributed Proofreading (<https://www.pgdp.net>).

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Transcriber's Note:

Two advertisements from the beginning of the book have been moved to the end.

CONSTRUCTIVE IMPERIALISM

BY

VISCOUNT MILNER, G.C.B.

FIVE SPEECHES

DELIVERED AT

TUNBRIDGE WELLS (OCTOBER 24, 1907)
GUILDFORD (OCTOBER 29, 1907)
EDINBURGH (NOVEMBER 15, 1907)
RUGBY (NOVEMBER 19, 1907)
AND OXFORD (DECEMBER 5, 1907)

LONDON
THE NATIONAL REVIEW OFFICE
23 RYDER STREET, ST. JAMES'S
1908

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TARIFF REFORM

ToC

Tunbridge Wells, October 24, 1907

As this is a Tariff Reform meeting pure and simple, I am anxious not to approach the subject in any party spirit or in any spirit of acrimonious controversy. The question is a difficult and complicated one, and though I am a strong Tariff Reformer myself I hope I am not incapable of seeing both sides of the case. I certainly should have reason to be ashamed if I could not be fair to those whom, for the sake of brevity and convenience, I will call Free Traders, though I do not altogether admit the correctness of that designation. My views were once the same as theirs, and though I long ago felt constrained to modify them, and had become a Tariff Reformer some years before the subject attained its present prominence in public discussion, it would ill become me to treat as foolish arguments which I once found so convincing or to vilify opinions which I once honestly shared.

What has happened to me is what I expect has happened to a good many people. I still admire the great Free Trade writers, the force of their intellect, the lucidity of their arguments. There can be no clearer proof of the spell which they exercised over the minds of their countrymen than the fact that so many leading public men on both sides of politics remain their disciples to this very day. But for my own part I have been unable to resist the evidence of facts which shows me clearly that in the actual world of trade and industry things do not work out even approximately as they ought to work out if the Free Trade theory were the counsel of perfection which I once thought it. And that has led me to question the theory itself, and so questioned it now seems to me far from a correct statement of the truth, even from the point of view of abstract inquiry. But I am not here to engage in abstract arguments. What I want to do is to look at the question from a strictly practical point of view, but at the same time a very broad one. I am anxious to bring home to you the place of Tariff Reform in a sound national policy, for, indeed, it seems to me very difficult to construct such a policy without a complete revision of our fiscal arrangements. Now a sound national policy has two aspects. There are two great objects of practical patriotism, two heads under which you may sum it up, much as the Church Catechism sums up practical religion, under the heads of "duty to God" and "duty to your neighbour." These objects are the strength of the Empire, and the health, the well-being, the contentedness of the mass of the people, resting as they always must on steady, properly organised, and fairly remunerated labour. Remember always, these two things are one; they are inseparable. There can be no adequate prosperity for the forty or fifty million people in these islands without the Empire and all that it provides; there can be no enduring Empire without a healthy, thriving, manly people at the centre. Stunted, overcrowded town populations, irregular employment, sweated industries, these things are as detestable to true Imperialism as they are to philanthropy, and they are detestable to the Tariff Reformer. His aim is to improve the condition of the people at home, and to improve it concurrently with strengthening the foundations of the Empire. Mind you, I do not say that Tariff Reform alone is going to do all this. I make no such preposterous claim for it. What I do say is that it fits in better alike with a policy of social reform at home and with a policy directed to the consolidation of the Empire than our existing fiscal system does.

Now, what is the essential difference between Tariff Reformers and the advocates of the

present system? I must dwell on this even at the risk of appearing tiresome, because there is so much misunderstanding on the subject. In the eyes of the advocates of the present system, the statesman, or at any rate the British statesman, when he approaches fiscal policy, is confronted with the choice of Hercules. He is placed, like the rider in the old legend, between the black and the white horseman. On the one hand is an angel of light called Free Trade; on the other a limb of Satan called Protection. The one is entirely and always right; the other is entirely and always wrong. All fiscal wisdom is summed up in clinging desperately to the one and eschewing like sin anything that has the slightest flavour of the other. Now, that view has certainly the merit of simplicity, and simplicity is a very great thing; but, if we look at history, it does not seem quite to bear out this simple view. This country became one of the greatest and wealthiest in the world under a system of rigid Protection. It has enjoyed great, though by no means unbroken, prosperity under Free Trade. Side by side with that system of ours other countries have prospered even more under quite different systems. These facts alone are sufficient to justify the critical spirit, which is the spirit of the Tariff Reformer. He does not believe in any absolute right or wrong in such a matter as the imposition of duties upon imports. Such duties cannot, he thinks, be judged by one single test, namely, whether they do or do not favour the home producer, and be condemned out of hand if they do favour him.

The Tariff Reformer rejects this single cast-iron principle. He refuses to bow down before it, regardless of changing circumstances, regardless of the policy of other countries and of that of the other Dominions of the Crown. He wants a free hand in dealing with imports, the power to adapt the fiscal policy of this country to the varying conditions of trade and to the situation created at any given time by the fiscal action of others. He has no superstitious objection to using duties either to increase employment at home or to secure markets abroad. But on the other hand he does not go blindly for duties upon foreign imports as so-called Free Traders go blindly against them, except in the case of articles not produced in this country, some of which the Free Traders are obliged to tax preposterously. Tariff Reform is not one-ideaed, rigid, inelastic, as our existing system is. Many people are afraid of it, because they think Tariff Reformers want to put duties on foreign goods for the fun of the thing, merely for the sake of making them dearer. Certainly Tariff Reformers do not think that cheapness is everything. Certainly they hold that the blind worship of immediate cheapness may cost the nation dear in the long run. But, unless cheapness is due to some mischievous cause, they are just as anxious that we should buy cheaply as the most ardent Cobdenite, and especially that we should buy cheaply what we cannot produce ourselves. Talking of cheapness, however, I must make a confession which I hope will not be misunderstood by ladies present who are fond of shopping—I wish we could get out of the way of discussing national economics so much from the shopping point of view. Surely what matters, from the point of view of the general well-being, is the productive capacity of the people, and the actual amount of their production of articles of necessity, use, or beauty. Everything we consume might be cheaper, and yet if the total amount of things which were ours to consume was less we should be not richer but poorer. It is, I think, one of the first duties of Tariff Reformers to keep people's eyes fixed upon this vital point—the amount of our national production. It is that which constitutes the real income of the nation, on which wages and profits alike depend.

And that brings me to another point. Production in this country is dependent on importation, more dependent than in most countries. We are not self-supplying. We must import from outside these islands vast quantities of raw materials and of the necessaries of life. That, at least, is common ground between the Free Trader and the Tariff Reformer. But the lessons they draw from the fact are somewhat different. The Free Trader is only anxious that we should buy all these necessary imports as cheaply as possible. The Tariff Reformer is also anxious that we should buy them cheaply, but he is even more anxious to know how we are going to pay for all this vast quantity of things which we are bound to import. And that leads him to two conclusions. The first is that, seeing how much we are obliged to buy from abroad in any case, he looks rather askance at our increasing our indebtedness by buying things which we could quite easily produce at home, especially with so many unemployed and half-employed people. The other, and this is even a more pressing solicitude to him, is that it is of vital importance to us to look after our external markets, to make sure that we shall always have customers, and good customers, to buy our goods, and so to enable us to pay for our indispensable imports. The Free Trader does not share this solicitude. He has got a comfortable theory that if you only look after your imports your exports will look after themselves. Will they? The Tariff Reformer does not agree with that at all. Imports no doubt are paid for by exports, but it does not in the least follow that by increasing your dependence on others you will necessarily increase their dependence on you. It would be much truer to say: "Look after the exports and the imports will look after themselves." The more you sell the more you will be able to buy, but it does not in the least follow that the more you buy the more you will be able to sell. What business man would go on the principle of buying as much as possible and say: "Oh, that is all right. I am sure to be able to sell enough to pay for it." The first thought of a wise business man is for his markets, and you as a great trading nation are bound to think of your markets, not only your markets of to-day but of to-morrow and the day after to-morrow.

The Free Trade theory was the birth of a time when our imports were practically all supplemental to our exports, all indispensable to us, and when, on the other hand, the whole of the world was in need of our goods, far beyond our power of supplying it. Since then the situation has wholly altered. At this actual moment, it is true, there is temporarily a state of things which in one respect reproduces the situation of fifty years ago. There is for the moment an almost unlimited demand for some of our goods abroad. But that is not the normal situation. The normal situation is that there is an increasing invasion of our markets by goods from abroad which we

used to produce ourselves, and an increasing tendency to exclude our goods from foreign markets. The Tariff Reform movement is the inevitable result of these altered circumstances. There is nothing artificial about it. It is not, as some people think, the work of a single man, however much it may owe to his genius and his courage, however much it may suffer, with other good causes, through his enforced retirement from the field. It is not an eccentric idea of Mr. Chamberlain's. Sooner or later it was bound to come in any case. It is the common sense and experience of the people waking up to the altered state of affairs, beginning to shake itself free from a theory which no longer fits the facts. It is a movement of emancipation, a twofold struggle for freedom—in the sphere of economic theory, for freedom of thought, in the sphere of fiscal policy, for freedom of action.

And that freedom of action is needed quickly. It is needed now. I am not doubtful of the ultimate triumph of Tariff Reform. Sooner or later, I believe, it is sure to achieve general recognition. What does distress me is the thought of the opportunities we are losing in the meantime. This year has been marked, disastrously marked, in our annals by the emphatic and deliberate rejection on the part of our Government of the great principle of Preferential Trade within the Empire. All the other self-governing States are in favour of it. The United Kingdom alone blocks the way. What does that mean? What is it that we risk losing as long as we refuse to accept the principle of Preferential Trade, and will certainly lose in the long run if we persist in that refusal? It is a position of permanent and assured advantage in some of the greatest and most growing markets in the world. Preference to British goods in the British dominions beyond the sea would be a constant and potent influence tending to induce the people of those countries to buy what they require to buy outside their own borders from us rather than from our rivals. It means beyond all doubt and question so much more work for British hands. And the people of those countries are anxious that British hands should get it. They have, if I may so express myself, a family feeling, which makes them wish to keep the business within the family. But business is business. They are willing to give us the first chance. But if we will give nothing in return, if we tell them to mind their own business and not to bother us with offers of mutual concessions, it is only a question of time, and the same chance will be given to others, who will not refuse to avail themselves of it.

You see the beginning of the process already in such an event as the newly-concluded commercial treaty between Canada and France. If we choose, it is still possible for us not only to secure the preference we have in Colonial markets, but to increase it. But if we do nothing, commercial arrangements with other nations who are more far-sighted will gradually whittle that preference away. To my mind the action of Canada in the matter of that treaty, perfectly legitimate and natural though it be, is much more ominous and full of warning to us than the new Australian Tariff, about which such an unjustifiable outcry has been made. Rates of duty can be lowered as easily as they can be raised, but the principle of preference once abandoned would be very difficult to revive. I am sorry that the Australians have found it necessary in their own interests to raise their duties, but I would rather see any of the British Dominions raise its duties and still give a preference to British goods than lower its duties and take away that preference. Whatever duties may be imposed by Canada, Australia, or the other British Dominions, they will still remain great importers, and with the vast expansion in front of them their imports are bound to increase. They will still be excellent customers, and the point is that they should be our customers.

In the case of Australia the actual extent of the preference accorded to British goods under the new tariff is not, as has been represented, of small value to us. It is of considerable value. But what is of far more importance is the fact that Australia continues to adhere to the principle of Preference. Moreover, Australia, following the example of Canada, has established an extensive free list for the benefit of this country. Let nobody say after this that Australia shows no family feeling. I for one am grateful to Australia, and I am grateful to that great Australian statesman, Mr. Deakin, for the way in which, in the teeth of discouragement from us, he has still persisted in making the principle of preferential trade within the Empire an essential feature of the Australian Tariff.

Preference is vital to the future growth of British trade, but it is not only trade which is affected by it. The idea which lies at the root of it is that the scattered communities, which all owe allegiance to the British Crown, should regard and treat one another not as strangers but as kinsmen, that, while each thinks first of its own interests, it should think next of the interests of the family, and of the rest of the world only after the family. That idea is the very corner-stone of Imperial unity. To my mind any weakening of that idea, any practical departure from it, would be an incalculable loss to all of us. I should regard a readjustment of our own Customs duties with the object of maintaining that idea, even if such readjustment were of some immediate expense to ourselves, as I hope to show you that it would not be, as a most trifling and inconsiderable price to pay for a prize of infinite value. I am the last man to contend that preferential trade alone is a sufficient bond of Empire. But I do contend that the maintenance or creation of other bonds becomes very difficult, if in the vitally important sphere of commerce we are to make no distinction between our fellow-citizens across the seas and foreigners. Closer trade relations involve closer relations in all other respects. An advantage, even a slight advantage, to Colonial imports in the great British market would tend to the development of the Colonies as compared with the foreign nations who compete with them. But the development of the British communities across the seas is of more value to us than an equivalent development of foreign countries. It is of more value to our trade, for, if there is one thing absolutely indisputable, it is that these communities buy ever so much more of us per head than foreign nations do. But it is not only a question of trade; it is a question of the future of our people. By encouraging the development of

the British Dominions beyond the seas we direct emigration to them in preference to foreign lands. We keep our people under the flag instead of scattering them all over the world. We multiply not merely our best customers but our fellow citizens, our only sure and constant friends.

And now is there nothing we can do to help forward this great object? Is it really the case, as the Free Traders contend, that in order to meet the advances of the other British States and to give, as the saying is, Preference for Preference, we should be obliged to make excessive sacrifices, and to place intolerable burdens on the people of this country? I believe that this is an absolute delusion. I believe that, if only we could shake off the fetters of a narrow and pedantic theory, and freely reshape our own system of import duties on principles of obvious common sense, we should be able at one and the same time to promote trade within the Empire, to strengthen our hands in commercial negotiations with foreign countries, and to render tardy justice to our home industries.

The Free Trader goes on the principle of placing duties on a very few articles only, articles, generally, of universal consumption, and of making those duties very high ones. Moreover, with the exception of alcohol, these articles are all things which we cannot produce ourselves. I do not say that the system has not some merits. It is easy to work, and the cost of collection is moderate. But it has also great defects. The system is inelastic, for the duties being so few and so heavy it is difficult to raise them in case of emergency without checking consumption. Moreover, the burden of the duties falls entirely on the people of this country, for the foreign importer, except in the case of alcoholic liquors, has no home producer to compete with, and so he simply adds the whole of the duty to the price of the article. Last, but not least, the burden is inequitably distributed. It would be infinitely fairer, as between different classes of consumers, to put a moderate duty on a large number of articles than to put an enormous duty on two or three. But from that fairer and more reasonable system we are at present debarred by our pedantic adherence to the rule that no duty may be put on imported articles unless an equivalent duty is put on articles of the same kind produced at home. Why, you may well ask, should we be bound by any such rule? I will tell you. It is because, unless we imposed such an equivalent duty, we should be favouring the British producer, and because under our present system every other consideration has got to give way to this supreme law, the "categorical imperative" of the Free Trader, that we must not do anything which could by any possibility in the remotest degree benefit the British producer in his competition with the foreigner in our home market. It is from the obsession of this doctrine that the Tariff Reformer wishes to liberate our fiscal policy. He approaches this question free from any doctrinal prepossessions whatever. Granted that a certain number of millions have to be raised by Customs duties, he sees before him some five to six hundred millions of foreign imports on which to raise them, and so his first and very natural reflection is, that by distributing duties pretty equally over this vast mass of imported commodities he could raise a very large revenue without greatly enhancing the price of anything. Our present system throws away, so to speak, the advantage of our vast and varied importation by electing to place the burden of duties entirely on very few articles. As against this system the Tariff Reformer favours the principle of a widespread tariff, of making all foreign imports pay, but pay moderately, and he holds that it is no more than justice to the British producer that all articles brought to the British market should contribute to the cost of keeping it up. It is no answer to say that it is the British consumer who would pay the duty, for even if this were invariably true, which it is not, it leaves unaffected the question of fair play between the British producer and the foreign producer. The price of the home-made article is enhanced by the taxes which fall upon the home makers, and which are largely devoted to keeping up our great open market, but the price of the foreign article is not so enhanced, though it has the full benefit of the open market all the same. Moreover, the price of the home-made article is also enhanced by the many restrictions which we place, and rightly place, on home manufacture in the interests of the workers—restrictions as to hours, methods of working, sanitary conditions, and so forth—all excellent, all laudable, but expensive, and from which the foreign maker is often absolutely, and always comparatively, free. The Tariff Reformer is all for the open market, but he is for fair play as between those who compete in it, and he holds that even cheapness ought not to be sought at the expense of unfairness to the British producer.

I say, then, that the Tariff Reformer starts with the idea of a moderate all-round tariff. But he is not going to ride his principle to death. He is essentially practical. There are some existing duties, like those on alcoholic liquors, the high rate of which is justified for other than fiscal reasons. He sees no reason to lower these duties. On the other hand, there are some articles, such as raw cotton, which compete with no British produce, and even a slight enhancement of the price of which might materially injure our export trade. The Tariff Reformer would place these on a free list, for he feels that, however strong may be the argument for moderate all-round duties as a guiding rule, it is necessary to admit exceptions even to the best of rules, and it is part of his creed that we are bound to study the actual effect of particular duties both upon ourselves and upon others. No doubt that means hard work, an intimate acquaintance with the details of our industry and trade, an eye upon the proceedings of foreign countries. A modern tariff, if it is to be really suitable to the requirements of the nation adopting it, must be the work of experts. But is that any argument against it? Are we less competent to make a thorough study of these questions than other people, as for instance the Germans, or are we too lazy? Free Traders make fun of a scientific tariff, but why should science be excluded from the domain of fiscal policy, especially when the necessity of it is so vigorously and so justly impressed upon us in every other field? It is not only the War Office which has got to get rid of antiquated prejudices and to open its eyes to what is going on in the world. Our financial departments might reasonably be asked to do the same, and they are quite equally capable, and I have no doubt equally willing, to respond

to such an appeal, instead of leaving the most thorough, the most comprehensive, and the most valuable inquiry into the effects of import duties, which has ever been made in this country, to a private agency like the Tariff Commission.

I do not think it is necessary for me to point out how a widespread tariff, besides those other advantages which I have indicated, would strengthen our hands in commercial policy. In the first place, it would at once enable us to meet the advances of the other States of the Empire, and to make the British Empire in its commercial aspect a permanent reality. To do this it would not be necessary, nor do I think it would be right, to exempt goods from the British Dominions entirely from the duties to which similar goods coming from foreign lands are subject. Our purpose would be equally well served by doing what the Colonies do, and having two scales of duty, a lower one for the products of all British States and Dependencies, a higher one for those of the outside world. The amount of this preference would be a matter of bargain to be settled by some future Imperial Conference, not foredoomed to failure, and preceded by careful preliminary investigation and negotiations. It might be twenty-five, or thirty-three, or even fifty per cent. And whatever it was, I think we should reserve the right also to give a preference, but never of the same amount, to any foreign country which was willing to give us some substantial equivalent. It need not be a general preference; it might be the removal or reduction of some particular duties. I may say I do not myself like the idea of engaging in tariff wars. I do not believe in prohibitive or penal tariffs. But I do believe in having something to give to those who treat us well, something to withhold from those who treat us badly. At present, as you are well aware, Great Britain is the one great nation which is treated with absolute disregard by foreign countries in framing their tariffs. They know that however badly they treat us they have nothing to lose by it, and so we go to the wall on every occasion.

And now, though there is a great deal more to be said, I feel I must not trespass much further on your patience. But there is one objection to Tariff Reform which is constantly made, and which is at once so untrue and so damaging, that before sitting down I should like to say a few words about it. We are told that this is an attempt to transfer the burden of a part of our taxation from the shoulders of the rich to those of the poor. If that were true, it would be fatal to Tariff Reform, and I for one would have nothing to do with it. But it is not true. There is no proposal to reduce and I believe there is no possibility of reducing, the burden which at present falls on the shoulders of the upper and middle classes in the shape of direct taxation. On the other hand, I do not believe there is much room for increasing it—though I think it can be increased in one or two directions—without consequences which the poorer classes would be the first to feel. Excise duties, which are mainly paid by those classes, are already about as high as they can be. It follows that for any increase of revenue, beyond the ordinary growth arising from increase of wealth and population, you must look, at least to a great extent, to Customs duties. And the tendency of the time is towards increased expenditure, all of it, mind you—and I do not complain of the fact—due to the effort to improve the condition of the mass of the people. It is thus no question of shifting existing burdens, it is a question of distributing the burden of new expenditure of which the mass of the people will derive the benefit. And if that new expenditure must, as I think I have shown, be met, at least in large part, by Customs duties, which method of raising these duties is more in the interest of the poorer classes—our present system, which enhances enormously the price of a few articles of universal consumption like tea and sugar and tobacco, or a tariff spread over a much greater number of articles at a much lower rate? Beyond all doubt or question the mass of the people would be better off under the latter system. Even assuming—as I will for the sake of argument, though I do not admit it—that the British consumer pays the whole of the duty on imported foreign goods competing with British goods, is it not evident that the poorer classes of the community would pay a smaller proportion of Customs duties under a tariff which included a great number of foreign manufactured articles, at present entirely free, and largely the luxuries of the rich, than they do, when Customs duties are restricted to a few articles of universal consumption?

And that is at the same time the answer to the misleading, and often dishonest, outcry about "taxing the food of the people," about the big loaf and little loaf, and all the rest of it. The construction of a sensible all-round tariff presents many difficulties, but there is one difficulty which it does not present, and that is the difficulty of so adjusting your duties that the total proportion of them falling upon the wage-earning classes shall not be increased. I for one regard such an adjustment as a postulate in any scheme of Tariff Reform. And just one other argument—and I recommend it especially to those working-class leaders who are so vehement in their denunciation of Tariff Reform. Is it of no importance to the people whom they especially claim to represent that our fiscal policy should lean so heavily in favour of the foreign and against the British producer? If they regard that as a matter of indifference, I think they will come to find in time that the mass of the working classes do not agree with them. But be that as it may, it is certain that I, for one, do not advocate Tariff Reform in the interests of the rich, but in the interests of the whole nation, and therefore necessarily of the working classes, who are the majority of the nation.

Guildford, October 29, 1907

I am very sensible of the honour of being called on to reply for the Unionist cause, but I approach the task with some diffidence, not to say trepidation. I feel very conscious that I am not a very good specimen of a party man. It is not that I do not hold strong opinions on many public questions—in fact, that is the very trouble. My opinions are too strong to fit well into any recognised programme. I suffer from an inveterate habit, which is partly congenital, but which has been developed by years spent in the service of the Crown, of looking at public questions from other than party points of view. And I am too old to unlearn it.

For a man so constituted there is evidently only a limited *rôle* in political life. But he may have his uses all the same, if you take him for what he is, and not for what he is not, and does not pretend to be. If he does not speak with the weight and authority of a party leader, he is at least free from the embarrassments by which a party leader is beset, and unhampered by the caution which a party leader is bound to exercise. He commits nobody but himself, and therefore he can afford to speak with a bluntness which is denied to those whose utterances commit many thousands of other people. And I am not sure whether the present moment is not one at which the unconventional treatment of public questions may not be specially useful, so, whether it be as an independent Unionist or as a friendly outsider—in whichever light you like to regard me—I venture to contribute my mite to the discussion.

Having now made my position clear, I will at once plunge *in medias res* with a few artless observations. You hear all this grumbling which is going on just now against the Unionist leader. Well, gentlemen, a party which is in low water always does grumble at its leader. I have known this sort of thing happen over and over again in my own lifetime. And the consequence is, it is all like water on a duck's back to me; it makes no impression on me whatsoever. I remember as long back as the late sixties and early seventies the Conservative party were ceaselessly grumbling at Lord Beaconsfield, then Mr. Disraeli, right up to his greatest victory and the commencement of his longest tenure of power—almost up to the moment when he became the permanent idol of the Conservative party. I remember how the Liberals grumbled at Mr. Gladstone from 1873 and 1874 almost up to the opening of the Midlothian campaign. Again, I remember how the Conservatives grumbled at Lord Salisbury from the first moment of his accession to the leadership right up to 1885. I can recall as well as if it were yesterday a young Tory friend of mine—he has become a distinguished man since, and I am not going to give him away—telling me, who was at that time a Liberal, in the year of grace 1883 or 1884, that it was absolutely hopeless for the Tory party ever to expect to come back into power with such a leader as Lord Salisbury. He called him a "Professor." He said, "No doubt he is a very able man and an excellent speaker, but he is a man of science. He has no popular gifts whatever. There is not a ghost of a chance of a Conservative victory so long as he is in command." Yet that was not more than two years before Lord Salisbury commenced a series of Premierships which kept him, for some thirteen and a half years out of seventeen, at the helm of the State.

With all these experiences to look back upon it is really impossible for me to be much affected by the passing wave of dissatisfaction with Mr. Balfour. Men of first-rate ability and character are rare. Still rarer are men who, having those qualities, also have the knack of compelling the attention and respect even of a hostile House of Commons. When a party possesses a leader with all these gifts, it is not likely to change him in a hurry.

But if I refuse to take a gloomy view of the Unionist leadership, I must admit that I am not altogether an optimist about the immediate prospects of Unionism. There is no doubt a bright side to the picture as well as a less encouraging one. The bright side, from the party point of view, is afforded by the hopeless chaos of opinion in the ranks of our opponents—by the total absence of any clear conviction or definite line whatever in the counsels of the Government, which causes Ministers to dash wildly from measure to measure in endeavouring to satisfy first one section and then another section of their motley following, and which prevents them from ever giving really adequate attention to any one of their proposals.

I am not speaking of Ministers individually. Granted that some of them have done excellent work at the heads of their several departments—I think it would not be fair to deny that. I am thinking of their collective policy, and especially of their legislative efforts. For monuments of clumsy opportunism, commend me to the legislative failures, and, for the matter of that, to most of the legislative achievements, of the last two years.

So far so good. Unionists cannot complain of what the Government is doing for them. And on the negative side of policy—in their duty as a mere Opposition—their course is clear. It is a fundamental article of their faith to maintain the authority of the Imperial Parliament in Ireland. But that authority can be set aside by the toleration of lawlessness just as much, and in a worse way, than by the repeal of the Union. And such toleration is the rule to-day. There may be no violent crime, but there is open and widespread defiance of the law and interference with the elementary rights of law-abiding people. It is a demoralising state of affairs, and one to which no good citizen in any part of the United Kingdom, however little he may be personally affected by it, can afford to be indifferent. Once let it be granted that any popular movement, which is not strong enough to obtain an alteration of the law by regular means, can simply set the law aside in practice, and you are at the beginning of general anarchy.

Unionists have to fight for a restoration of the respect for law in Ireland in the interest of the whole kingdom. And they may have to fight also, it appears, against the abrogation of our existing constitution in favour of a system of quinquennial dictatorships. For that and nothing else is involved in the proposal to reduce the House of Lords to impotence and put nothing in its place. I am not concerned to represent the present constitution of the House of Lords as perfect. I have always been of opinion that a more representative and therefore a stronger second chamber was desirable. But that we can afford to do without any check on the House of Commons, especially since the removal of all checks upon the power of those who from time to time control the House of Commons to rush through any measures they please without the possibility of an appeal to the people—that is a proposition which no man with any knowledge of history or any respect for constitutional government can possibly defend. To resist such a proposal as that is not fighting for a party; it is not fighting for a class. It is fighting for the stability of society, for the fundamental rights of the whole nation.

I say, then, that on the negative side, in the things it is called upon to resist, the Unionist party is strong and fortunate. But are we to be content with that? Should we not all like to feel that we appealed for the confidence of the people on the merits of our own policy, and not merely on the demerits of our opponents? That, I take it, is the feeling at the bottom of what men are saying on all hands just now—that the Unionist party ought to have a constructive policy. Now, if by a constructive policy is meant a string of promises, a sort of Newcastle programme, then I can well imagine any wise statesmen, especially if they happened to be in Opposition, thinking twice before they committed themselves to it. But if by a constructive policy is meant a definite set of principles, a clear attitude to the questions which most agitate the public mind, a sympathetic grasp of popular needs, and a readiness to indicate the extent to which, and the lines on which, you think it possible and desirable to satisfy them—then I agree that the Unionist party ought to have such a policy. And I venture to say that, if it has such a policy, the fact is not yet sufficiently apparent to the popular mind, or, perhaps, I should say, speaking as one of the populace, to my mind.

Many people think that it is sufficient for the purpose—that it is possible to conduct a victorious campaign with the single watchword "Down with Socialism." Well, I am not fond of mere negatives. I do not like fighting an abstract noun. My objection to anti-Socialism as a platform is that Socialism means so many different things. On this point I agree with Mr. Asquith. I will wait to denounce Socialism till I see what form it takes. Sometimes it is synonymous with robbery, and to robbery, open or veiled, boldly stalking in the face of day or hiding itself under specious phrases, Unionists are, as a matter of course, opposed. But mere fidelity to the eighth Commandment is not a constructive policy, and Socialism is not necessarily synonymous with robbery. Correctly used, the word only signifies a particular view of the proper relation of the State to its citizens—a tendency to substitute public for private ownership, or to restrict the freedom of individual enterprise in the interests of the public. But there are some forms of property which we all admit should be public and not private, and the freedom of individual enterprise is already limited by a hundred laws. Socialism and Individualism are opposing principles, which enter in various proportions into the constitution of every civilised society; it is merely a question of degree. One community is more Socialistic than another. The same community is more Socialistic at one time than at another. This country is far more Socialistic than it was fifty years ago, and for most of the changes in that direction the Unionist and the Tory party are responsible. The Factory Acts are one instance; free education is another. The danger, as it seems to me, of the Unionist party going off on a crusade against Socialism is that in the heat of that crusade it may neglect, or appear to neglect, those social evils of which honest Socialism is striving, often, no doubt, by unwise means, to effect a cure. If the Unionist party did that, it would be unfaithful to its own best traditions from the days of "Sybil" and "Coningsby" to the present time.

The true antidote to revolutionary Socialism is practical social reform. That is no claptrap phrase—although it may sound so; there is a great historical truth behind it. The revolutionary Socialist—I call him revolutionary because he wants to alter the whole basis of society—would like to get rid of all private property, except, perhaps, our domestic pots and pans. He is averse from private enterprise. He is going absurdly too far; but what gave birth to his doctrine? The abuse of the rights of private property, the cruelty and the failure of the scramble for gain, which mark the reign of a one-sided Individualism. If we had not gone much too far in one direction, we should not have had this extravagant reaction in the other. But do not let us lose our heads in face of that reaction. While resisting the revolutionary propaganda, let us be more, and not less, strenuous in removing the causes of it.

You may think I am now talking pure Radicalism. Well, but it is not to the objects which many Radicals have at heart that we, as Unionists, need take exception. Why should we make them a present of those good objects? Old age pensions; the multiplication of small landholders—and, let me add, landowners; the resuscitation of agriculture; and, on the other hand, better housing in our crowded centres; town planning; sanitary conditions of labour; the extinction of sweating; the physical training of the people; continuation schools—these and all other measures necessary to preserve the stamina of the race and develop its intelligence and productive power—have we not as good a right to regard these as our objects, aye, and in many cases a better right, than the supporters of the Government have?

It is not these objects which we deprecate. On the contrary, they have our ardent sympathy. What we do deprecate is the spirit in which they are so often preached and pursued. No progress is going to be made—quite the contrary—by stirring up class hatred or trying to rob Peter in

order to pay Paul. It is not true that you cannot benefit one class without taking from another class—still less true that by taking from one you necessarily benefit another. The national income, the sum total of all our productive activities, is capable of being enormously increased or diminished by wise or foolish policy. For it does not only depend on the amount of capital and labour. A number of far subtler factors enter into the account—science, organisation, energy, credit, confidence, the spirit in which men set about their business. The one thing which would be certain to diminish that income, and to recoil on all of us, would be that war of classes which many people seem anxious to stir up. Nothing could be more fatal to prosperity, and to the fairest hopes of social progress, than if the great body of the upper and middle classes of the community had cause to regard that progress as indissolubly associated with an attack upon themselves. And that is why, if reforms such as I have indicated are costly—as they will be costly—you must find some better way of providing for them than by merely giving another turn to the income-tax screw, or just adding so much per cent. to the estate duty.

From my point of view, social reform is a national affair. All classes benefit by it, not only those directly affected. And therefore all should contribute according to their means. I do not in any way object to the rich being made to contribute, even for purposes in which they are not directly interested. What I do object to is that the great body of the people should not contribute to them. It is thoroughly vicious in principle to divide the nation, as many of the Radical and Labour men want to divide it, into two sections—a majority which only calls the tune, and a minority which only pays the piper.

I own I am aghast at the mean opinion which many politicians seem to have of the mass of their working fellow countrymen, when they approach them with this crude sort of bribery, offering them everything for nothing, always talking to them of their claims upon the State, and never of their duties towards it. This is a democratic country. It is their State and their Empire—theirs to possess, theirs to control, but theirs also to support and to defend. And I for one have such faith in the common sense and fair-mindedness of the British people that I believe you have only to convince them that you have a really sound national policy, and they will rally to it, without having to be bought by promises of a penny off this and twopence off the other—a sort of appeal, I regret to say, which is not only confined to Radical orators, but in which Unionists also are sometimes too apt to indulge.

And, now, gentlemen, only one word in conclusion—a brief and inadequate reference to a vast subject, but one to which I am at all times and seasons specially bound to refer. After all, my chief quarrel with the Radical party—not with all of them—I do not say that for a moment—but with a far too large and influential section—is their anti-patriotism. I use the word advisedly. It is not that they are unpatriotic in the sense of having no affection for their country. It is that they are deliberately and on principle—I do not asperse their motives; I do not question their sincerity and conviction—anti-patriotic, opposed to national as distinct from cosmopolitan ideals. They are not zealous for national defence; they have no faith in the Empire; they love to show their impartiality by taking sides against their own country; they object to their children being taught respect for the flag. But we Unionists are not cosmopolitans, but Britons. We have no envy or ill-will towards other nations; a man is not a worse neighbour because he loves his own family. But we do hold that it is not our business to look after others. It is our business to look after ourselves and our dependencies, and the great kindred communities who own allegiance to the British flag. We want to draw closer to them, to stand together; and we believe that the strength and the unity of the British Empire are of vital and practical importance to every citizen. In all our propaganda, and in all our policy, let us continue to give that great principle a foremost place.

UNIONISTS AND THE EMPIRE

Edinburgh, November 15, 1907

I am greatly reassured by the very kind reception which you have just given me. To tell the truth, I had been feeling a little alarmed at the fate which might await me in Edinburgh. From a faithful perusal of the Radical Press I had been led to believe that Scotland was seething with righteous indignation against that branch of the Legislature of which I am, it is true, only a humble and very recent member, but yet a member, and therefore involved in the general condemnation of the ruthless hereditary tyrants and oppressors of the people, the privileged landowning class, which is alleged to be so out of sympathy with the mass of their fellow-countrymen, although, oddly enough, it supplies many of the most popular candidates, not only of one party, at any General Election. Personally, I feel it rather hard to be painted in such black colours. There is no taint of hereditary privilege about me. I am not—I wish I were—the owner of broad acres, and I am in no way conscious of belonging to a specially favoured class. There are a great many of my fellow members in the House of Lords who are in the same position, and who

sit there, not by virtue of any privilege, but by virtue of their services, or, let me say in my own case, supposed services, to the State. And while we sit there—and here I venture, with all humility, to speak for all the members of that body, whether hereditary or created—we feel that we ought to deal with the questions submitted to us to the best of our judgment and conscience, without fear of the consequences to ourselves and without allowing ourselves to be brow-beaten for not being different from what we are. We believe that we perform a useful and necessary function. We believe that a Second Chamber is essential to the good government of this country. We do not contend—certainly I am myself very far from contending—that the existing Second Chamber is the best imaginable. Let there be a well-considered reform of the House of Lords, or even, if need be, an entirely different Second Chamber. But until you have got this better instrument, do not throw away the instrument which you have—the only defence, not of the privileges of a class, but of the rights of the whole nation, against hasty, ill-considered measures and against the subordination of permanent national interests to the temporary exigencies of a party.

It is said that there is a permanent Conservative majority in the House of Lords. But then every Second Chamber is, and ought to be, conservative in temper. It exists to exercise a restraining influence, to ensure that great changes shall not be made in fundamental institutions except by the deliberate will of the nation, and not as the outcome of a mere passing mood. And if the accusation is, that the House of Lords is too Conservative in a party sense, which is a different thing, I admit, from being Conservative in the highest and best sense, that points not to doing away with the Second Chamber, but to making such a change in its composition as, while leaving it still powerful, still, above all, independent, will render it more representative of the permanent mind of the nation.

But let me be permitted to observe that the instance relied on to prove that the House of Lords is in the pocket of the Conservative party is a very unfortunate instance. What is its offence? It is said that the Lords rejected the Scottish Land Bill. But they did not reject the Scottish Land Bill. They were quite prepared to accept a portion of the Bill, and it is for the Government to answer to the people interested in that portion for their not having received the benefits which the Bill was presumably intended to bestow on them. What the Government did was to hold a pistol at the head of the House of Lords, and to say that they must either accept the whole straggling and ill-constructed measure as it stood, or be held up to public odium for rejecting it. But when the Bill was looked at as a whole, it was found to contain principles—novel principles as far as the great part of Scotland was concerned, bad principles, as the experience of Ireland showed—which the House of Lords, and not only the Conservatives in the House of Lords, were not prepared to endorse. Was it Conservative criticism which killed the Bill? It was riddled with arguments by a Liberal Peer and former Liberal Prime Minister—arguments to which the Government speakers were quite unable, and had the good sense not even to attempt, to reply. And that is the instance which is quoted to prove that the House of Lords is a Tory Caucus!

Now, before leaving this question of the House of Lords, let me just say one word about its general attitude. I have not long been a member of that assembly. I do not presume to take much part in its discussions. But I follow them, and I think I follow them with a fairly unprejudiced mind. On many questions I am perhaps not in accord with the views of the majority of the House. But what strikes me about the House of Lords is that it is a singularly independent assembly. It is not at the beck and call of any man. It is a body which does not care at all about party claptrap, but which does care a great deal about a good argument, from whatever quarter it may proceed. Moreover, I am confident that the great body of its members are quite alive to the fact that they cannot afford to cast their votes merely according to their individual opinions and personal prejudices—that they are trustees for the nation, and that while it is their duty to prevent the nation being hustled into revolution, as but for them it would have been hustled into Home Rule in 1893, they have no right to resist changes upon which the nation has clearly and after full deliberation set its mind. And when the Prime Minister says that it is intolerable arrogance on the part of the House of Lords to pretend to know better what the nation wishes than the House of Commons, I can only reply that the proof of the pudding is in the eating. In 1893 the House of Commons said that the nation wished Home Rule. The House of Lords had the intolerable arrogance to take a different view. Well, within less than two years the question was submitted to the nation; and who proved to be right?

I regret to have had to dwell at such length upon this particular topic. But it seems to me that we have no choice in the matter. If the Government succeed in their attempt to divert the attention of the nation from matters of the greatest interest at home and abroad in order to involve us all in a constitutional struggle on a false issue, we must be prepared to meet them. But I do not wish to waste the rare opportunity afforded to me to-night of addressing this great and representative Scottish audience by talking exclusively about this regrettable manoeuvre. There is something I am anxious to say to you about the future of the Unionist party. I do not claim to lay down a policy for that or for any party. I am not, by temperament or antecedents, a good party man. But I want to be allowed, as a private citizen, to point out what are the great services which I think the Unionist party can render to the nation at the present very critical juncture in its history. The Unionist party has a splendid record in the past. For twenty years it has saved the United Kingdom from disruption. It has preserved South Africa for the Empire; and, greatly as I feel and know, that the results of the efforts and sacrifices of the nation have been marred and impaired by the disastrous policy of the last two years, South Africa is still one country under the British flag. And all the time, in spite of foreign war and domestic sedition, the Unionist party has pursued a steady policy of practical social reform, and the administrative and legislative record of the last twenty years will compare favourably with that of any period of our history.

But no party can afford to rely upon its past achievements. How is the Unionist party going to confront the great problems of the present day? The greatest of these problems, as I shall never cease to preach to my countrymen, is the maintenance of the great heritage which we owe to the courage, the enterprise, and the self-sacrifice of our forefathers, who built up one of the greatest Empires in history by, on the whole, the most honourable means. The epoch of expansion is pretty nearly past, but there remains before us a great work of development and consolidation. And that is a work which should appeal especially to Scotsmen. The Scottish people have borne a great part, great out of proportion to their numbers, in building up our common British heritage. They are taking a foremost part in it to-day. All over the world, as settlers in Canada, in Australia, or in South Africa, as administrators in India and elsewhere, they are among the sturdiest pillars on which the great Imperial fabric rests. I am not talking in the air. I am speaking from my personal experience, and only saying in public here to-night what I have said in private a hundred times, that as an agent of my country in distant lands I have had endless occasion to appreciate the support given to the British cause by the ability, the courage, the shrewd sense and the broad Imperial instinct of many Scotsmen. And therefore I look with confidence to a Scottish audience to support my appeal for continuous national effort in making the most of the British Empire. I say this is not a matter with regard to which we can afford to rest on our laurels. We must either go forward or we shall go back. And especially ought we to go forward in developing co-operation, on a basis of equality and partnership, with the great self-governing communities of our race in the distant portions of the world, else they will drift away from us. Do not let us think for a moment that we can afford such another fiasco as the late Colonial Conference. Do not let us imagine for a moment that we can go to sleep over the questions then raised, and not one of them settled, for four years, only to find ourselves unprepared when the next Conference meets. A cordial social welcome, many toasts, many dinners, are all very well in their way, but they are not enough. What is wanted is a real understanding of what our fellow countrymen across the seas are driving at, and a real attempt to meet them in their efforts to keep us a united family. All that our present rulers seem able to do is to misunderstand, and therefore unconsciously to misrepresent—I do not question their good intentions, but I think they are struck with mental blindness in this matter—to misrepresent the attitude of the colonists and greatly to exaggerate the difficulties of meeting them half-way. The speeches of Ministers on a question like that of Colonial Preference leave upon me the most deplorable impression. One would have thought that, if they could not get over the objections which they feel to meeting the advances of our kinsmen, they would at least show some sort of regret at their failure. But not a bit of it. Their one idea all along has been to magnify the difficulties in the way in order to make party capital out of the business. They saw their way to a good cry about "taxing the food of the people," the big and the little loaf, and so forth, and they went racing after it, regardless of everything but its electioneering value. From first to last there has been the same desire to make the worst of things, sometimes by very disingenuous means. First of all it was said that there was "no Colonial offer." But when the representatives of the Colonies came here, and all in the plainest terms offered us preference for preference, this device evidently had to be abandoned. So then it was asserted that, in order to give preference to the Colonies, we must tax raw materials. But this move again was promptly checkmated by the clear and repeated declaration of the Colonial representatives that they did not expect us to tax raw materials. And so nothing was left to Ministers, determined as they were to wriggle out of any agreement with the Colonies at all costs, except to fall back on the old, weary parrot-cry—"Will you tax corn?" "Will you tax butter?" and so on through the whole list of articles of common consumption, the taxation of any one of which was thought to be valuable as an electioneering bogey.

For my own part, I am not the least bit frightened by any of these questions. If I am asked whether I would tax this or tax that, it may be proof of great depravity on my part, but I say without hesitation, that, for a sufficient object, I should not have the least objection to putting two shillings a quarter on wheat or twopence a pound on butter. But I must add that the whole argument nauseates me. What sort of opinion must these gentlemen have of their fellow countrymen, if they think that the question of a farthing on the quarter loaf or half a farthing on the pat of butter is going to outweigh in their minds every national consideration? And these are the men who accused Mr. Chamberlain of wishing to unite the Empire by sordid bonds! It is indeed extraordinary and to my mind almost heartrending to see how this question of Tariff Reform continues to be discussed on the lowest grounds, and how its higher and wider aspects seem to be so constantly neglected. Yet we have no excuse for ignoring them. The Colonial advocates of Preference, and especially Mr. Deakin, with whose point of view I thoroughly agree, have repeatedly explained the great political, national, and I might almost say moral aspects of that policy. There is a great deal more in it than a readjustment of duties—twopence off this and a penny on that. I do not say that such details are not important. When the time comes I am prepared to show—and I am an old hand at these things—that the objections which loom so large in many eyes can really be very easily circumvented. But I would not attempt to bother my fellow countrymen with complicated changes in their fiscal arrangements, or even with the discussion of them, if it were not for the bigness of the principle that is involved.

I wish to look at it from two points of view. The principle which lies at the root of Tariff Reform, in its Imperial aspect, is the national principle. The people of these great dominions beyond the seas are no strangers to us. They are our own kith and kin. We do not wish to deal with them, even in merely material matters, on the same basis as with strangers. That is the great difference between us Tariff Reformers and the Cobdenites. The Cobdenite only looks at the commercial side. He is a cosmopolitan. He does not care from whom he buys, or to whom he sells. He does not care about the ulterior effects of his trading, whether it promotes British industry or ruins it; whether it assists the growth of the kindred States, or only enriches foreign countries. To us

Tariff Reformers these matters are of moment, and of the most tremendous moment. We do not undervalue our great foreign trade, and I for one am convinced that there is nothing in the principles of Tariff Reform which will injure that trade. Quite the reverse. But we do hold that our first concern is with the industry and productive capacities of our own country, and our next with those of the great kindred countries across the seas. We hold that a wise fiscal policy would help to direct commerce into channels which would not only assist the British worker, but also assist Colonial development, and make for the greater and more rapid growth of those countries, which not only contain our best customers, but our fellow citizens.

That, I say, is one aspect of the matter. But then there is the other side—the question of social reform in this country. Now here again we differ from the Cobdenite. The Cobdenite is an individualist. He believes that private enterprise, working under a system of unfettered competition, with cheapness as its supreme object, is the surest road to universal well-being. The Tariff Reformer also believes in private enterprise, but he does not believe that the mere blind struggle for individual gain is going to produce the most beneficent results. He does not believe in cheapness if it is the result of sweating or of underpaid labour. He keeps before him as the main object of all domestic policy the gradual, steady elevation of the standard of life throughout the community; and he believes that the action of the State deliberately directed to the encouragement of British industry, not merely by tariffs, is part and parcel of any sound national policy and of true Imperialism. And please observe that in a number of cases the Radical party itself has abandoned Cobdenism. Pure individualism went to the wall in the Factory Acts, and it is going to the wall every day in our domestic legislation. It is solely with regard to this matter of imports that the Radical party still cling to the Cobdenite doctrine, and the consequence is that their policy has become a mass of inconsistencies. It is devoid of any logical foundation whatever.

I know that there are many people, sound Unionists at heart, who still have a difficulty about accepting the doctrines of the Tariff Reformers. My belief is that, if they could only look at the matter from the broad national and Imperial point of view, they would come to alter their convictions. I am not advocating Tariff Reform as in itself the greatest of human objects. But it seems to me the key of the position. It seems to me that, without it, we can neither take the first steps towards drawing closer the bonds between the mother country and the great self-governing States of the Empire; nor maintain the prosperity of the British worker in face of unfair foreign competition; nor obtain that large and elastic revenue which is absolutely essential, if we are going to pursue a policy of social reform and mean real business. I cannot but hope that many of those who still shy at Tariff Reform, when they come to look at it from this point of view—to see it as I see it, not as an isolated thing, but as an essential and necessary part of a comprehensive national policy—will rally to our cause. I have travelled along that road myself. I have been a Cobdenite myself—I am not ashamed of it. But I have come to see that the doctrine of free imports—the religion of free imports, I ought to say—as it is practised in this country to-day, is inconsistent with social reform, inconsistent with fair play to British industry, and inconsistent with the development and consolidation of the Empire. And therefore I rejoice that, in the really great speech which he delivered last night, the leader of the Unionist party has once more unhesitatingly affirmed his adhesion to the principles which I have been trying, in my feebler way, to advocate here this evening. My own conviction is that, when these principles are understood in all their bearings, they will command the approval of the mass of the people. And even in Scotland, where I dare say it is a very uphill fight, I look forward with confidence to their ultimate victory. Do not let us be discouraged if the fight is long and the progress slow. The great permanent influences are on our side. On the one hand there is the growth of the Empire, with all the opportunities which it affords; on the other there is the increasing determination of foreign nations to keep their business to themselves. These potent facts, which have already converted so many leading minds, will in due time make themselves felt in ever-widening circles. And they will not fail to produce their effect upon the shrewd practical sense of the Scottish people, especially when combined with an appeal to the patriotic instincts of a race which has done so much to make the Empire what it is, and which has such a supreme interest in its maintenance and consolidation.

UNIONISTS AND SOCIAL REFORM

Rugby, November 19, 1907

There has been such a deluge of talk during the last three weeks that I doubt whether it is possible for me, or any man, to make a further contribution to the discussion which will have any freshness or value. But inasmuch as you probably do not all read all the speeches, you may perhaps be willing to hear from me a condensed summary of what it all comes to—of course, from my point of view, which no doubt is not quite the same as that of the Prime Minister or Mr.

Asquith. Now, from my point of view, there has been a considerable clearing of the air, and we ought all to be in a position to take a more practical and less exaggerated view of the situation. Speaking as a Tariff Reformer, I think that those people, with whom Tariff Reformers agree on almost all other political questions, but who are strongly and conscientiously opposed to anything like what they call tampering with our fiscal system, must by now understand a little better than they did before what Tariff Reformers really aim at, and must begin to see that there is nothing so very monstrous or revolutionary about our proposals. I hope they may also begin to see why it is that Tariff Reformers are so persistent and so insistent upon their own particular view. There is something very attractive in the argument which says that, since Tariff Reform is a stumbling-block to many good Unionists, it should be dropped, and our ranks closed in defence of an effective Second Chamber, and in defence of all our institutions against revolutionary attacks directed upon the existing order of society. In so far as this is an argument for tolerance and against excommunicating people because they do not agree with me about Tariff Reform, I am entirely in accord with it. I am only a convert to Tariff Reform myself, although I am not a very recent convert, for at the beginning of 1903, at Bloemfontein, I was instrumental in inducing all the South African Colonies to give a substantial preference to goods of British origin. I was instrumental in doing that some months before the great Tariff Reform campaign was inaugurated in this country by its leading champion, Mr. Chamberlain. But while I am all for personal tolerance, I am opposed to any compromise on the question of principle. I am not opposed to it from any perverseness or any obstinacy. I am opposed to it because I see clearly that dropping Tariff Reform will knock the bottom out of a policy which I believe is not only right in itself, but is the only effective defence of the Union and of many other things which are very dear to us—I mean a policy of constructive Imperialism, and of steady, consistent, unhesitating, and unrelenting Social Reform.

I have never advocated Tariff Reform as a nostrum or as a panacea. I have never pretended that it is by itself alone sufficient to cure all the evils inherent in our social system, or alone sufficient as a bond of Empire. What I contend is that without it, without recovering our fiscal freedom, without recovering the power to deal with Customs Duties in accordance with the conditions of the present time and not the conditions of fifty years ago, we cannot carry out any of those measures which it is most necessary that we should carry out. Without it we are unable to defend ourselves against illegitimate foreign competition; we are unable to enter into those trade arrangements with the great self-governing States of the British Crown across the seas, which are calculated to bestow the most far-reaching benefits upon them and upon us; and we are unable to obtain the revenue which is required for a policy of progressive Social Reform. I hope that people otherwise in agreement with us, who have hitherto not seen their way to get over their objections to Tariff Reform, will, nevertheless, find themselves able to accept that principle, when they regard it, not as an isolated thing, but as an essential part of a great national and Imperial policy.

Of course, they will have to see it as it is, and not as it is represented by its opponents. The opponents of Tariff Reform have a very easy method of arguing with its supporters. They say that any departure whatsoever from our present fiscal system necessarily involves taxing raw materials, and must necessarily result in high and prohibitive duties, which will upset our foreign trade, and will be ruinous and disorganising to the whole business of the country. But Tariff Reformers are not going to frame their duties in order to suit the argumentative convenience of Mr. Asquith. They are going to be guided by wholly different considerations from that. It is curious that everybody opposed to Tariff Reform says that Tariff Reformers intend to tax raw material, while Tariff Reformers themselves have steadily said they do not. I ask you in that respect to take the description of a policy of Tariff Reform from those who advocate it, and not from those who oppose it. And as for the argument about high prohibitive duties, I wish people would read the reports or summaries of the reports of the Tariff Commission. They contain not only the most valuable collection that exists anywhere of the present facts about almost every branch of British industry but they are also an authoritative source from which to draw inferences as to the intentions of Tariff Reformers. Now the Tariff Reform Commission have not attempted to frame a complete tariff, a scale of duties for all articles imported into this country, and wisely, because, if they had tried to do that, people would have said that they were arrogating to themselves the duties of Parliament. What they have done is to show by a few instances that a policy of Tariff Reform is not a thing in the air, not a mere thing of phrases and catchwords, but is a practical, businesslike working policy. They have drawn up what may be called experimental scales of duties, which are merely suggestions for consideration, with respect to a number of articles under the principal heads of British imports, such as, for instance, agricultural imports and imports of iron and steel. These experimental duties vary on the average from something like 5 per cent. to 10 per cent. on the value of the articles. In no one case in my recollection do they exceed 10 per cent.

But then the opponents of Tariff Reform say: "Yes. That is all very well. But though you may begin with moderate duties, you are bound to proceed to higher ones. It is in the nature of things that you should go on increasing and increasing, and in the end we shall all be ruined." I must say that seems to me great nonsense. It reminds me of nothing so much as the fearful warnings which I have read in the least judicious sort of temperance literature, and sometimes heard from temperance orators of the more extreme type—the sort of warning, I mean, that, if you once begin touching anything stronger than water, you are bound to go on till you end by beating your wife and die in a workhouse. But you and I know perfectly well that it is possible to have an occasional glass of beer or glass of wine, or even, low be it spoken, a little whisky, without beating or wanting to beat anybody, and without coming to such a terrible end. The argument

against the use of anything from its abuse has always struck me as one of the feeblest of arguments. And just see how particularly absurd it is in the present case. The effect of duties on foreign imports, even such moderate and carefully devised duties as those to which I have referred, would, we are told, be ruinous to British trade. It would place intolerable burdens upon the people. Yet for all that the people would, it appears, insist on increasing these burdens. Surely it is as clear as a pike-staff that, if the duties which Tariff Reformers advocate were to produce the evils which Free Importers allege that they would produce, these duties, so far from being inevitably maintained and increased, would not survive one General Election after their imposition.

It is not only with regard to Tariff Reform that I think the air is clearer. The Unionist Party has to my mind escaped another danger which was quite as great as that of allowing the Tariff question to be pushed on one side, and that was the danger of being frightened by the scare, which the noisy spreading of certain subversive doctrines has lately caused, into a purely negative and defensive attitude; of ceasing to be, as it has been, a popular and progressive party, and becoming merely the embodiment of upper and middle class prejudices and alarms. I do not say that there are not many projects in the air which are calculated to excite alarm, but they can only be successfully resisted on frankly democratic and popular lines. My own feeling is—I may be quite wrong, but I state my opinion for what it is worth—that there is far less danger of the democracy going wrong about domestic questions than there is of its going wrong about foreign and Imperial questions, and for this simple reason, that with regard to domestic questions they have their own sense and experience to guide them.

If a mistake is made in domestic policy its consequences are rapidly felt, and no amount of fine talking will induce people to persist in courses which are affecting them injuriously in their daily lives. You have thus a constant and effective check upon those who are disposed to try dangerous experiments, or to go too fast even on lines which may be in themselves laudable, as the experience of recent municipal elections, among other things, clearly shows. But with regard to Imperial questions, to our great and vital interests in distant parts of the earth, there is necessarily neither the same amount of personal knowledge on the part of the electorate, nor do the consequences of a mistaken policy recoil so directly and so unmistakably upon them. These subjects, therefore, are the happy hunting-ground of the visionary and the phrase-maker. I have seen the people of this country talked into a policy with regard to South Africa at once so injurious to their own interests, and so base towards those who had thrown in their lot with us and trusted us, that, if the British nation had only known what that policy really meant, they would have spat it out of their mouths. And I tremble every day lest, on the vital question of Defence, the pressure of well-meaning but ignorant idealists, or the meaner influence of vote-catching demagogues, should lead this Government or, indeed, any Government, to curtail the provisions, already none too ample, for the safety of the Empire, in order to pose as the friends of peace or as special adepts in economy. I know these savings of a million or two a year over say five or ten years, which cost you fifty or one hundred millions, wasted through unreadiness when the crisis comes, to say nothing of the waste of gallant lives even more precious. This is the kind of question about which the democracy is liable to be misled, being without the corrective of direct personal contact with the facts to keep it straight. And it is unpopular and up-hill work to go on reminding people of the vastness of the duty and the responsibility which the control of so great a portion of the earth's surface, with a dependent population of three or four hundred millions, necessarily involves; to go on reminding them, too, how their own prosperity and even existence in these islands are linked by a hundred subtle but not always obvious or superficially apparent threads with the maintenance of those great external possessions.

I say these are difficulties which any party or any man, who is prepared to do his duty by the electorate of this country, not merely to ingratiate himself with them for the moment, but to win their confidence by deserving it, by telling them the truth, by serving their permanent interests and not their passing moods, is bound to face. For my own part, I have always been perfectly frank on these questions. I have maintained on many platforms, I am prepared to maintain here to-night and shall always maintain, although this is a subject on which it may be long before my views are included in any party programme—I say I shall always maintain that real security is not possible without citizen service, and that the training of every able-bodied man to be capable of taking part, if need be, in the defence of his country, is not only good for the country but good for the man—and would materially assist in the solution of many other problems, social and economic. But being, as I am, thus uncompromising, and quite prepared to find myself unpopular, on these vital questions of national security, and of our Imperial duties and responsibilities, I can perhaps afford to say, without being suspected of fawning or of wishing to play the demagogue myself, that in the matter of domestic reform I am not easy to frighten, and that I have a very great trust in the essential fair-mindedness and good sense of the great body of my fellow countrymen with regard to questions which come within their own direct cognisance. And therefore it was most reassuring to me at any rate—and I hope it was to you—to observe, that that large section of the Unionist Party which met at Birmingham last week, not so much by any resolutions or formal programme—for there was nothing very novel in these—as by the whole tone and temper of its proceedings, affirmed in the most emphatic manner the essentially progressive and democratic character of Unionism. The greatest danger I hold to the Unionist Party and to the nation is that the ideals of national strength and Imperial consolidation on the one hand, and of democratic progress and domestic reform on the other, should be dissevered, and that people should come to regard as antagonistic objects which are essentially related and complementary to one another. The upholders of the Union, the upholders of the Empire, the upholders of the fundamental institutions of the State, must not only be, but must be seen and

known to be, the strenuous and constant assailants of those two great related curses of our social system—irregular employment and unhealthy conditions of life—and of all the various causes which lead to them.

I cannot stay here to enumerate those causes, but I will mention a few of them. There is the defective training of children, defective physical training to begin with, and then the failure to equip them with any particular and definite form of skill. There is the irregular way in which new centres of population are allowed to spring up, so that we go on creating fresh slums as fast as we pull down the old rookeries. There is the depopulation of the countryside, and the influx of foreign paupers into our already overcrowded towns. There is the undermining of old-established and valuable British industries by unfair foreign competition. That is not an exhaustive list, but it is sufficient to illustrate my meaning. Well, wherever these and similar evils are eating away the health and independence of our working people, there the foundations of the Empire are being undermined, for it is the race that makes the Empire. Loud is the call to every true Unionist, to every true Imperialist, to come to the rescue.

And now at the risk of wearying you there is one other subject to which I would like specially to refer, lest I should be accused of deliberately giving it the go-by, and that is the question of old age pensions. It is not a reform altogether of the same nature as those on which I have been dwelling, nor is it perhaps the kind of reform about which I feel the greatest enthusiasm, because I would rather attack the causes, which lead to that irregularity of employment and that under-payment which prevents people from providing for their own old age themselves, than merely remedy the evils arising from it. But I accept the fact that under present conditions, which it may be that a progressive policy in time will alter, a sufficient case for State aid in the matter of old age pensions has been made out, and I believe that no party is going to oppose the introduction of old age pensions. But, on the other hand, I foresee great difficulties and great disputes over the question of the manner in which the money is to be provided. I know how our Radical friends will wish to provide the money. They will want to get it, in the first instance, by starving the Army and the Navy. To that way of providing it I hope the Unionist Party, however unpopular such a course may be, and however liable to misrepresentation it may be, will oppose an iron resistance, because this is an utterly rotten and bad way of financing old age pensions, or anything else. But that method alone, however far it is carried, will not provide money enough, and there will be an attempt to raise the rest by taxes levied exclusively on the rich. I am against that also, because it is thoroughly wrong in principle. I am not against making the rich pay, to the full extent of their capacity, for great national purposes, even for national purposes in which they have no direct interest. But I am not prepared to see them made to pay exclusively. Let all pay according to their means. It is a thoroughly vicious idea that money should be taken out of the pocket of one man, however rich, in order to be put into the pocket of another, however poor. That is a bad, anti-national principle, and I hope the Unionist Party will take a firm stand against it. And this is an additional reason why we should raise whatever money may be necessary by duties upon foreign imports, because in that way all will contribute. No doubt the rich will contribute the bulk of the money through the duties on imported luxuries, but there will be some contribution, as there ought to be some contribution, from every class of the people.

And now, in conclusion, one word about purely practical considerations. We Unionists, if you will allow me to call myself a Unionist—at any rate I have explained quite frankly what I mean by the term—are not a class party, but a national party. That being so, it is surely of the utmost importance that men of all classes should participate in every branch and every grade of the work of the Unionist Party. Why should we not have Unionist Labour members as well as Radical Labour members? I think that the working classes of this country are misrepresented in the eyes of the public of this country and of the world, as long as they appear to have no leaders in Parliament except the men who concoct and pass those machine-made resolutions with which we are so familiar in the reports of Trade Union Congresses. I am not speaking now about their resolutions on trade questions, which they thoroughly understand, but about resolutions on such subjects as foreign politics, the Army and Navy, and Colonial and Imperial questions, resolutions which are always upon the same monotonous lines. I do not believe that the working classes are the unpatriotic, anti-national, down-with-the-army, up-with-the-foreigner, take-it-lying-down class of Little Englanders that they are constantly represented to be. I do not believe it for a moment. I have heard Imperial questions discussed by working men in excellent speeches, not only eloquent speeches, but speeches showing a broad grasp and a truly Imperial spirit, and I should like speeches of that kind to be heard in the House of Commons as an antidote to the sort of preaching which we get from the present Labour members. And what I say about the higher posts in the Unionist Army applies equally to all other ranks. No Unionist member or Unionist candidate is really well served unless he has a number of men of the working class on what I may call his political staff. And I say this not merely for electioneering reasons. This is just one of the cases in which considerations of party interest coincide—I wish they always or often did—with considerations of a higher character. There is nothing more calculated to remove class prejudice and antagonism than the co-operation of men of different classes on the same body for the same public end. And there is this about the aims of Unionism, that they are best calculated to teach the value of such co-operation; to bring home to men of all classes their essential inter-dependence on one another, as well as to bring home to each individual the pettiness and meanness of personal vanity and ambition in the presence of anything so great, so stately, as the common heritage and traditions of the British race.

SWEATED INDUSTRIES

ToC

Oxford, December 5, 1907

This exhibition is one of a series which are being held in different parts of the country with the object of directing attention, or rather of keeping it directed, to the conditions under which a number of articles, many of them articles of primary necessity, are at present being produced, and with the object also of improving the lot of the people engaged in the production of those articles. Now this matter is one of great national importance, because the sweated workers are numbered by hundreds of thousands, and because their poverty and the resulting evils affect many beside themselves, and exercise a depressing influence on large classes of the community. What do we mean by sweating? I will give you a definition laid down by a Parliamentary Committee, which made a most exhaustive inquiry into the subject: "Unduly low rates of wages, excessive hours of work, and insanitary condition of the workplaces." You may say that this is a state of things against which our instincts of humanity and charity revolt. And that is perfectly true, but I do not propose to approach the question from that point of view to-day. I want to approach it from the economic and political standpoint. But when I say political I do not mean it in any party sense. This is not a party question; may it never become one. The organisers of this exhibition have done what lay in their power to prevent the blighting and corrosive influence of party from being extended to it. The fact that the position which I occupy at this moment will be occupied to-morrow by the wife of a distinguished member of the present Government (Mrs. Herbert Gladstone), and on Saturday by a leading member of the Labour Party (Mr. G.N. Barnes, M.P.), shows that this is a cause in which people of all parties can co-operate. The more we deal with sweating on these lines, the more we deal with it on its merits or demerits without ulterior motive, the more likely we shall be to make a beginning in the removal of those evils against which our crusade is directed.

My view is, that the sweating system impoverishes and weakens the whole community, because it saps the stamina and diminishes the productive power of thousands of workers, and these in their turn drag others down with them. "Unduly low rates of wages, excessive hours of labour, insanitary condition of workplaces"—what does all that mean? It means an industry essentially rotten and unsound. To say that the labourer is worthy of his hire is not only the expression of a natural instinct of justice, but it embodies an economic truth. One does not need to be a Socialist, not, at least, a Socialist in the sense in which the word is ordinarily used, as designating a man who desires that all instruments of production should become common property—one does not need to be a Socialist in that sense in order to realise that an industry, which does not provide those engaged in it with sufficient to keep them in health is essentially unsound. Used-up capital must be replaced, and of all forms of capital the most fundamental and indispensable is the human energy necessarily consumed in the work of production. A sweated industry does not provide for the replacing of that kind of capital. It squanders its human material. It consumes more energy in the work it exacts than the remuneration it gives is capable of replacing. The workers in sweated industries are not able to live on their wages. As it is, they live miserably, grow old too soon, and bring up sickly children. But they would not live at all, were it not for the fact that their inadequate wages are supplemented, directly, in many cases, by out-relief, and indirectly by numerous forms of charity. In one way or another the community has to make good the inefficiency that sweating produces. In one way or another the community ultimately pays, and it is my firm belief that it pays far more in the long run under the present system than if all workers were self-supporting. If a true account could be kept, it would be found that anything which the community gains by the cheapness of articles produced under the sweating system is more than outweighed by the indirect loss involved in the inevitable subsidising of a sweated industry. That would be found to be the result, even if no account were taken of the greatest loss of all, the loss arising from the inefficiency of the sweated workers and of their children, for sweating is calculated to perpetuate inefficiency and degeneration.

The question is: Can anything be done? Of the three related evils—unduly low rates of wages, excessive hours of labour, and insanitary condition of work-places—it is evident that the first applies equally to sweated workers in factories and at home, but the two others are to some extent guarded against, in factories, by existing legislation. This is the reason why some people would like to see all work done for wages transferred to factories. Broadly speaking, I sympathise with that view. But if it were universally carried out at the present moment, it would inflict an enormous amount of suffering and injustice on those who add to their incomes by home work. Hence the problem is twofold. First, can we extend to workers in their own homes that degree or protection in respect of hours and sanitary conditions which the law already gives to workers in factories? And secondly, can we do anything to obtain for sweated workers, whether in homes or factories, rates of remuneration less palpably inadequate? Now it certainly seems impossible to limit the hours of workers, especially adult workers, in their own homes. More can be done to ensure sanitary conditions of work. Much has been done already, so far as the structural

condition of dwellings is concerned. But I am afraid that the measures necessary to introduce what may be called the factory standard of sanitariness into every room, where work is being done for wages, would involve an amount of inspection and interference with the domestic lives of hundreds of thousands of people which might create such unpopularity as to defeat its own object. I do not say that nothing more should be attempted in that direction, quite the reverse; but I say that nothing which can be attempted in that direction really goes to the root of the evil, which is the insufficiency of the wage. How can you possibly make it healthy for a woman, living in a single room, perhaps with children, but even without, to work twelve or fourteen hours a day for seven or eight shillings a week, and at the same time to do her own cooking, washing, and so on. How much food is she likely to have? How much time will be hers to keep the place clean and tidy? An increase of wages would not make sanitary regulations unnecessary, but it would make their observance more possible.

An increase of wages then is the primary condition of any real improvement in the lives of the sweated workers. So the point is this. Can we do anything by law to screw up the remuneration of the worst-paid workers to the minimum necessary for tolerable human existence? I know that many people think it impossible, but my answer is that the fixing of a limit below which wages shall not fall is already not the exception but the rule in this country. That may seem a rather startling statement, but I believe I can prove it. Take the case of the State, the greatest of all employers. The State does not allow the rates of pay even of its humblest employés to be decided by the scramble for employment. The State cannot afford, nor can any great municipality afford, to pay wages on which it is obviously impossible to live. There would be an immediate outcry. Here then you have a case of vast extent in which a downward limit of wages is fixed by public opinion. Take, again, any of the great staple industries of the country, the cotton industry, the iron and steel industry, and many others. In the case of these industries rates of remuneration are fixed in innumerable instances by agreement between the whole body of employers in a particular trade and district on the one hand and the whole body of employés on the other. The result is to exclude unregulated competition and to secure the same wages for the same work. No doubt there is an element—and this is a point of great importance—which enters into the determination of wages in these organised trades, but which does not enter in the same degree into the determination of the salaries paid by the State. That element is the consideration of what the employers can afford to pay. This question is constantly being threshed out between them and the workpeople, with resulting agreements. The number of such agreements is very large, and the provisions contained in them often regulate the rate of remuneration for various classes of workers with the greatest minuteness. But the great object, and the principal effect of all these agreements, is this: it is to ensure uniformity of remuneration, the same wage for the same work, and to protect the most necessitous and most helpless workers from being forced to take less than the employers can afford to pay. Broadly speaking, the rate of pay, in these highly organised industries, is determined by the value of the work and not by the need of the worker. That makes an enormous difference. But in sweated industries this is not the case. Sweated industries are the unorganised industries, those in which there is no possibility of organisation among the workers. Here the individual worker, without resources and without backing, is left, in the struggle of unregulated competition, to take whatever he can get, regardless of what others may be getting for the same work and of the value of the work itself. Hence the extraordinary inequality of payment for the same kind of work and the generally low average of payment which are the distinguishing features of all sweated industries.

Now, if you have followed this rather dry argument, I shall probably have your concurrence when I say, that the proposal that the State should intervene to secure, not an all-round minimum wage, but the same wages for the same work, and nothing less than the standard rate of his particular work for every worker, is not a proposition that the State should do something new, or exceptional, or impracticable. It is a proposal that the State should do for the weakest and most helpless trades what the strongly-organised trades already do for themselves. I cannot see that there is anything unreasonable, much less revolutionary or subversive, in that suggestion.

This proposal has taken practical form in a Bill presented to the House of Commons last session. Whether the measure reached its second reading or not I do not know. It was a Bill for the establishment of Wages Boards in certain industries employing great numbers of workpeople, such as tailoring, shirtmaking, and so on. The industries selected were those in which the employés, though numerous, are hopelessly disorganised and unable to make a bargain for themselves. And the Bill provided that where any six persons, whether masters or employés, applied to the Home Secretary for the establishment of a Wages Board, such a Board should be created in the particular industry and district concerned; that it should consist of representatives of employers and employed in equal proportions, with an impartial chairman; and that it should have the widest possible discretion to fix rates of remuneration. If Wages Boards were established, as the Bill proposed, they would simply do for sweated trades what is already constantly being done in organised trades, with no doubt one important difference, that the decisions of these Boards would be enforceable by law. Now that no doubt may seem to many of you a drastic proposition. But I would strongly recommend any one interested in the subject to study a recently-published Blue-book, one of the most interesting I have ever read, which contains the evidence given before the House of Commons Committee on Home Work. That Blue-book throws floods of light on the conditions which have led to the proposal of Wages Boards, on the way in which these Boards would be likely to work, and on the results of the operation of such Boards in the Colony of Victoria, where they have existed for more than ten years, and now apply to more than forty industries. The perusal of that evidence would, I feel sure, remove some at least of the most obvious objections to this proposed remedy for sweating.

Many people look askance, and justly look askance, at the interference of the State in anything so complicated and technical as a schedule of wages for any particular industry. But the point to bear in mind is this, that the wages, which under this proposal would be enforceable by law, would be wages that had been fixed for a particular industry in a particular district by persons intimately cognisant with all the circumstances, and, more than that, by persons having the deepest common interest to avoid anything which could injure the industry. The rates of remuneration so arrived at would be based on the consideration of what the employers could afford to pay and yet retain such a reasonable rate of profit as would lead to their remaining in the industry. Such a regulation of wages would be as great a protection to the best employers against the cut-throat competition of unscrupulous rivals as it would be to the workers against being compelled to sell their labour for less than its value. There is plenty of evidence that the regulation of wages would be welcomed by many employers. And as for the fear sometimes expressed, that it would injure the weakest and least efficient workers, because, with increased wages, it would no longer be profitable to employ them, it must be borne in mind that people of that class are mainly home workers, and as remuneration for home work must be based on the piece, there would be no reason why they should not continue to be employed. No doubt they would still benefit as much as more efficient workers from increased rates, but *pro tanto* they would still benefit, and that is a consideration of great importance. But even if this were not the case, I would still contend, that it was unjustifiable to allow thousands of people to remain in a preventable state of misery and degradation all their lives, merely in order to keep a tenth of their number out of the workhouse a few years longer.

I have only one more word to say. I come back to the supreme interest of the community in the efficiency and welfare of all its members, to say nothing of the removal of the stain upon its honour and conscience which continued tolerance of this evil involves. That to my mind is the greatest consideration of all. That is the true reason, as it would be the sufficient justification, for the intervention of the State. And, on my own part, I feel no doubt that, whether by the adoption of such a measure as we have been considering, or by some other enactment, steps will before long be taken for the removal of this national disgrace.

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