

Fabian Tract No. 116.

FABIANISM AND THE FISCAL QUESTION.

AN ALTERNATIVE POLICY.

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Fabianism and the Fiscal Question.

THE ease with which Mr. Chamberlain has reopened a question which for fifty years has been marked off by all parties as closed in English practical politics, is perhaps the severest blow the triumphant Whig anti-Socialism of the nineteenth century has yet received. The establishment of Free Imports seemed as stable and final as the disestablishment of the Irish Church, of Purchase in the Army, of duelling, and of the property qualification for the franchise.

Now it is not for a Socialist Society to undertake the rehabilitation of its old enemies the Whigs. The Socialists have all along urged, in season and out of season, that the triumphs of modern commercial civilization, whether under tariffs abroad or under the Free Import system at home, were and are rotten at the foundation. Besides, in so far as Protection means the deliberate interference of the State with trade, both foreign and domestic, for the regulation of prices and wages, the dictation of the terms of contracts, the resolute social moralization of competition, the choice of our markets and our industries, and, in general, the subordination of commercial enterprise to national ends, Socialism has no quarrel with it: on the contrary, Socialism is in these respects ultra-Protectionist. The Fabian Society in particular has demanded extensive and energetic State interference with trade, both to suppress sweating at home and to guide and assist our exporters abroad. In short, there is no objection to a tariff or any other form of State interference as such from the Socialist point of view on the ground of economic or political principle. But what Socialist has ever dreamt of demanding a tariff of taxes on imports as a panacea for social ills? The reason for this indifference on the part of the Socialists to Protectionist agitation is clear enough. All that tariffs can do has been done in Germany and the United States. The results are, to say the least, very far from millennial. The subjection of the State to the capitalist interest could not very well be more complete than it is in America; and the subjection of labor to both the nobility and the capitalists is carried in Germany to lengths which we have outgrown in England.

Further, Socialism is international in tradition and sentiment. The appeal to popular jealousy of the foreigner jars on the Socialist instead of exciting him. Neither Mr. Chamberlain nor Lord Rosebery would be received in a congress of English Socialists as cordially as M. Jaurès or Herr August Bebel. International trade is welcome to the Socialist, quite apart from its commercial profit, as a restraint on war and a developer of international intercourse and interdependence: in short, to use the old Socialist watchword, of human solid-

arity. The Fabian Society knows very well that British Socialism must develop nationally as a British product on British initiative, and must not, like Anacharsis Klostz and the old Liberal cosmopolitans and Socialists of the eighteen-sixties, assume the end before it has achieved the beginning; but it has not slackened its grip of the fact that the fundamental interests of labor are continuous throughout civilization in spite of all the frontiers, and that if capitalists and capitalist governments cannot agree, that is a much better reason for getting rid of both than for putting additional fiscal weapons into their hands. On the whole, its prepossessions are not on the side of aggressive nationalism.

However, though the Fabians did not raise the Fiscal Controversy, and flatly deny that either Mr. Chamberlain's or Lord Rosebery's solution of it will bring about any radical improvement in the condition of our industrial population, there is no reason why the Society should not seize the opportunity, not to take sides, but to emphasize its own demands. It is not sorry to see those Liberals who would not listen to the Fabians confronted with a formidable agitation for something that shocks them still more than Fabianism. Once more, then, the Fabian Society invites the British citizen to forget for a moment that he is a Conservative or Liberal partisan, and to look round him and see how his country stands.

Our social condition is beyond all question extremely disgraceful to us. Our commercial prosperity is no index of real prosperity: it is a prosperity that is shared by our pawnshops, our workhouses, our prisons, our hospitals, and our lunatic asylums. The Corn Laws were repealed in 1846. A year later, we took a turn at the opposite principle—that of State Interference and Regulation—by passing the Ten Hours Act of 1847, which we made really effective in 1850. Since then we have taken import duties off and put legislation on as the need of the moment drove us, flourishing the principles of the Manchester school one day and flouting them the next. By the close of the nineteenth century we had made an end of all the protective import duties; and we had also made an end of *Laissez-faire*. Lord George Bentinck was dead; but Bastiat was, if possible, deader. If there was one thing that experience had proved more certainly than another it was that commerce is no more exempt from the need of energetic State regulation than any other department of civilized life, and that the Manchester millennium of "the economic harmonies" was the silliest of all the Utopias. And if there was one proposition that was more questionable than all the others, it was that the industrial "leaps and bounds" of the second half of the nineteenth century were the outcome of a single cause, and that cause the abolition of the old protective tariff.

In the face of all this, the twentieth century is not yet four years old when Mr. Chamberlain's proposal to revive the tariff is met by nothing more plausible than a revival of the exploded economics and "natural freedom" sociology of Bastiat, supported by a desperate claim that everything that has been gained since 1846 has been

gained by Free Trade. If the Liberal leaders can do no better than this, their ultimate defeat is certain. The nation is tired of the Cobden Club; and unless the case for Free Trade is given fresh air and shewn in modern lights—above all, unless it is purged of its old confusion of industrial freedom with industrial anarchy, and renounces its claims to the credit of the vast social improvement produced by Collectivist measures which its doctrinaires notoriously resisted, the electorate will spew it out from mere nausea. The Liberal chiefs are still counting on the working man as by nature a Liberal, a Free Trader, a Church Disestablisher: in short, a Gladstonian. He is nothing of the sort. He had not much voting power before 1885: to-day he can sweep all the constituencies. He may not trouble himself much about the failure of Cobden's prophecies, so much insisted on by Mr. Chamberlain, as to the adoption of Free Trade by the rest of the world; but he is still saturated with the tradition of the time when the Trade Unions proved that the pseudo political economy of the Cobdenites, with its ingenious demonstrations of the ruin that must ensue from Factory Legislation, and of the existence of a Wages Fund against which Trade Unionism must struggle in vain, was an anti-social imposture devised in the interests of the manufacturers. That sort of political economy was banished to Saturn; and it will take something more to stop Mr. Chamberlain—if he is to be stopped—than a parade of its ghost by the Cobden Club.

Unfortunately, the only effect on our rulers of the decay of the Manchester school seems to be a conviction that nothing is left to us except to relapse helplessly into the *status quo ante* by a simple return to the ancient tariff system. It is perhaps natural that old men should think so; and old men are powerful in England, where reputations are made so slowly that it seems almost impossible for anyone to become a popular idol before the age of seventy, by which time the idol is succumbing to the facile enthusiasms of old age, and losing all touch with contemporary realities. In our civil, military and naval services this danger is provided against by superannuation at sixty-five. The treasury bench, however, being the seat of government, is not supposed to matter: it remains available even for centenarians. Mr. Morley's famous biography has just set us reflecting very seriously on the last twenty years of the life of Gladstone. He had then at last attained the honors of popular idolatry as the Grand Old Man; and he could use them only to destroy his party. Home Rule as the conviction of Mr. Redmond's prime one can treat seriously. As the infatuation of Gladstone's old age, it helped neither Ireland nor England.

Now in a national emergency like the present, when so much depends on the personality of Mr. Chamberlain, it is impossible to ignore the fact that he is approaching the dangerous age, and that the symptoms are sufficiently Gladstonian to suggest caution in accepting his leadership in a matter in which his feelings are evidently strongly and sincerely engaged. Evidently, that is, to all except the veterans on the Liberal front bench and the unthinking

heirs of their weather-beaten opinions. To them, as we all know, Mr. Chamberlain still seems a young, agile and unscrupulous political intriguer, caressed by duchesses, and openly deficient in sincerity. We need not apologize for dismissing this elderly babble without discussion. It is of a piece with the reproach made twenty years ago to the Fabian Society by an aged Scotch clergyman, who denounced Socialism as "a mistaken idea derived from a recent German atheist named Hegel." No doubt Mr. Chamberlain was a young man when our official Liberals (mostly younger) became fossilized. If they live to see his hundredth birthday, they will regard it as simply another piece of impudence on the part of "pushful Joe." But to those who are out of patience with the staleness and puerility of the old party game, and who take politics seriously, it is plain enough that Mr. Chamberlain's enthusiasm for the Empire is as sincere as Gladstone's enthusiasm for Home Rule was. That is precisely what makes Mr. Chamberlain dangerous. Enthusiasm is infectious: political intrigue is not. The stock Liberal gibe at Mr. Chamberlain is to compare him to the harlequin with his coat of many colors. But the harlequin is the man who sets everything right. The performer who sets everything wrong in transports of elderly emotion is the pantaloons. Ever since the Fabian Society was founded it has had to struggle with a plague of pantaloons in politics; and it will perhaps be excused for saying that Mr. Chamberlain, with all his energy, is hardly young enough to be a Fabian pioneer. It therefore approaches the subject without any bias in favor of Mr. Chamberlain's leadership, though also without any assumption of political capacity or economic knowledge on the part of his parliamentary opponents. But it knows that even if Mr. Chamberlain's Protectionism is an infatuation, there are young and vigorous men behind him with whom it is a reasoned conviction, and powerful interests which will organize the Tariff movement as energetically and finance it as lavishly as the Anti-Corn Law movement in 1846.

The Case for the Tariff.

Two objects are professed by the Tariff party. One is to hold the Empire together; the other to protect the English producer. The two must be carefully discriminated, because many people who believe in the advantages of Free Imports would sacrifice them for the sake of the Empire, just as New South Wales sacrificed them the other day for the sake of the Australian Commonwealth. To them the original proposal of a Zollverein was tempting, because the use of the German word implied a Customs Union similar to that of the German Empire or the United States: that is, a Customs Union on the basis of Free Trade within the Empire. This aspiration has been rudely strangled by the flat refusal of the Colonies to admit our manufactures freely. Consequently the Zollverein is off; and the present Colonial demand is that we should set up a tariff for the sole purpose of exempting the Colonies from it, wholly or partially, thus manufacturing for them, at our own expense (as the Free Traders contend),

an advantage over their European and American competitors for our markets. This is obviously a very different proposal from the Zollverein one. It may be worth while to consider it ; but it is impossible to be touched by it as an exhibition of filial attachment to the Mother of Heroes. Hence Mr. Chamberlain's struggle to obtain from the Colonies an offer of substantial preferences for us at the Colonial Custom Houses, and the somewhat melancholy tone of his last conference with the Colonial Premiers.

The second object of the tariff party: that of protecting the home producer, means different things to different people. The patriotic Imperialists and the scientific protectionists believe, rightly or wrongly, that in Germany, in the north of Italy, and in the United States, protective tariffs have built up, in some departments, more highly developed and scientifically managed industries than our own. They intend, accordingly, to support Mr. Chamberlain in his proposal to follow the example of Bismarck and McKinley. But the ordinary protectionist man of business has far narrower views: he only desires relief from the pressure of competition, and supports the proposed new departure because he thinks a tariff will take his German and American competitors off his back. Now these two views contradict one another. If a tariff really develops industrial organization and forces manufacturers to put brains and science as well as business instincts into their work, it can do so only by increasing the pressure of home competition more than it relieves the pressure of foreign competition. Consequently the tariff, far from promising the desired relief to the ordinary tradesman, threatens to turn the screw on him harder than Free Imports can turn it, and is, in fact, advocated on that ground by the disinterested protectionist economists as well as by the stronger employers and combinations of employers who know that in such an intensified competitive struggle the smaller fry would have no chance against them. If you ask a Sheffield steel manufacturer whether he will vote for you if you shut the gates of England on Solingen, he will say yes. If you ask him whether he will vote for you if you enable a British Steel Trust to commence operations in his neighborhood, he will say no, unless he feels strong enough to compel a Trust to include him or buy him out instead of extinguishing him. But the Free Traders are determined to reassure him on these points. They contend that if the protectionist economists were not hopelessly behind the times they would know that intense home competition under protection is never permanent, leading always directly to combination against the consumer. Mr. Oppenheimer, Consul-General at Frankfurt-on-Maine, says in his 1900 report that "the price policy of syndicates will prevent modern protective duties from benefiting the public of a protected country, as was formerly the case when they still fostered a sound home competition." There is comfort for the weak concerns, too, in Mr. Oppenheimer's report for 1902. "Syndicates [in Germany] practically do away with competition, which had led to technical improvements and inventions. As syndicates take in tow also weak concerns, natural selection among the works of the same branch ceases; and

it has not yet been proved that this is counterbalanced by the endeavors of the various members of the syndicates to occupy a prominent position in the same." Now every word said here by Mr. Oppenheimer in disparagement of Protection, recommends it to the Sheffield manufacturers. They want to be relieved from competition ; to be guaranteed against having their prices cut ; and to be taken in tow by powerful combinations when they are weak, instead of being extinguished by competition. Thus the stars in their courses seem to fight for Mr. Chamberlain ; for the opposition between private and public interests which our individualist system of industry creates makes it almost impossible for the Free Trader to attack Protection on public grounds without recommending it on private ones. There was a time when Free Imports obviously paid the British manufacturer, and the Corn Laws did not. The result was that Cobden was enabled to take the field with a war chest of nearly half a million. To-day many of the manufacturers are contending vigorously that Free Imports do not pay them ; and the Free Trader can only reply by demonstrating, rightly or wrongly, that Free Imports pay the nation. But what does the manufacturer care about the nation ? All the nation does for him is to provide a workhouse for him if he fails to make money. The nation still repudiates Socialism ; and it cannot have its Unsocialism both ways. If we will not conduct our own industries for our own benefit, we must not be surprised if the manufacturer takes us at our word and looks after himself instead of after us.

Protection and Labor.

As to the employee in the steel works, he, of course, does not hesitate for a moment. The less steel made in Germany and the more in England, the better for him. In vain will the Free Trader implore him to remember his brother whose bread is earned in the trades that produce the exports that now pay for the imported German steel. He will blithely reply that they can come into the steel trade ; and the Free Trader cannot very well retort with Mr. Chamberlain's argument that you cannot teach new tricks to an old dog. A nation never grows old, and must be always learning new tricks if it is to keep its place in the world. In fact, the employee's argument is unanswerable unless it can be proved either that we cannot make steel as well as other nations do, or else that we are capable of rendering to the rest of the world services of so much greater value than steel making, that it is not worth our while to make steel, whether we can make it as well as the foreigner or not, or even whether we can make it better. But how can such a pretension be proved ? What guarantee have we, with our present tolerance of sweating, that if we lose steel it will not be replaced by pickles and jam, by slops, cordage, soap, "slaughtered" furniture, rubber goods and oil cloth, rather than by the products of the chemist, the electrician, the philosopher, poet, legislator, or whoever else may be accepted as more important to mankind than the steel smelter ? Here again the changed conditions of the world's industry

alter the force of the political appeal. In 1846 it was clear that we could hold our steel trade against the world, because we made steel better than any other nation could. But in doing so we taught our customers how to make steel for themselves; and the development of electric power has completed the lesson by making an Italian or Swiss waterfall as valuable as a Yorkshire coal mine. There are few manufactures now that one nation cannot carry on as easily as another when once it gets its hand in and its resources developed. It would be hard to persuade us nowadays that Belgium and Germany cannot make steel for themselves as well as for one another; and what is true of these contiguous countries is equally true of England, the United States, Japan and Lombardy. In all such industries the substitution of home production for purchase from abroad can be effected by import duties without decrease of employment, which is the only point that interests the employee. Clearly, we have a case here which, whether it be right or wrong, is, to say the very least, plausible enough for electioneering purposes. It is by no means ill-calculated to carry the day with the operative steel worker and his fellows in cognate industries when it is backed, as it is, by his obvious and immediate interest as a vendor of labor.

Free Trade and Labor.

When we pass on to industries permanently handicapped in England by climatic conditions and British idiosyncratic inaptitude, the Free Trade position is undeniable: international trade is clearly a labor-saving device. But here the vice of our proletarian system instantly asserts itself. The vendor of labor is never favorable to labor-saving devices. Machinery had to be forced on the proletariat at the point of the bayonet; and to this day it is welcomed only by the organized trades whose piecework lists enable them to secure a share of the increased output. Stuart Mill pointed out long ago that machinery had not lightened the toil of the working classes, and had beggared many of them without compensation. Precisely the same thing may be said of Free Imports. No doubt also precisely the same thing may be said of Protective Tariffs. But the resultant indifference of the proletariat to benefits which it does not share throws it back on its own immediate personal interest in the labor market. The more convincingly the Free Trader demonstrates that under Protection we should need more labor to supply our wants than at present, the more strongly he recommends it to the man who lives by selling labor. When that man has considered the matter deeply enough to understand that the price of labor is limited by its product, he is generally a Socialist who knows also that wages annually fall short of that limit by no less than £650,000,000 of rent and interest, and that until they absorb that £650,000,000, the need of the organizer of industry for more hands is the opportunity of the laborer. It is true that the more skilled of the pro-Tariff economists are prepared to prove that the effect of a Tariff would be just the opposite; that it would stimulate the employer to higher

efficiency in method and greater economy in unskilled labor. But the pro-Tariff economist takes particular care to do nothing of the sort when he addresses the working classes.

The Free Traders, on the other hand, urge their unpopular labor-saving theory on every platform. The corollary that the more labor and capital we save in one industry the more we shall have for developing another, commends itself as little to the man displaced by the international division of labor as it did to the man displaced by machinery. Even the appeal to him not "to tax the food of the people" is not so conclusive as those who urge it think. Any vegetarian or teetotaller can testify to the intense hostility of the working classes to any demonstration of the practicability of cheaper feeding. Demonstrations that the cost of living has risen are, on the contrary, highly popular. The reason is plain. Unregulated, unorganized labor—that is, the labor of the bulk of our proletariat—can, under our present system, hope for no higher wages than will keep it alive. Reduce that cost; and an equivalent fall in wages will be produced by the competition of the unemployed, who are always with us, though we treat them as negligible when their numbers fall below the point at which they cease to trouble us by agitations. This "iron law of wages" has been the theme of the Labor orator ever since the phrase was brought into vogue by Lassalle, who seized on the admission of the orthodox economists that subsistence wages are "the natural price of labor." Even Trade Unionism struggles for no more than the recognition, maintenance, and steadying of this standard by means of "a living wage." It is the greatest mistake to suppose that prosperity is associated in the laborer's imagination with cheapness. That is the notion of the middle class man with a stable position and a fixed income. Cheapness to the laborer connotes poverty. This may seem unreasonable, just as his association of war and high prices with "good times" may seem unreasonable, and would actually be so in a Socialist State. But under our social system the consumer's extremity is the producer's opportunity; and to threaten a producer with high prices is like threatening a glazier with a hailstorm. You may dismay a workman's wife by telling her that boots and bread will be dearer under Protection; but her husband, who will probably leave it to her to make both ends meet, has a lurking expectation that even if Mr. Chamberlain breaks his pledge and puts more on bread than he takes off tea, yet an increased cost of living will mean a rise in wages. If you tell him that wages are lower in protected Europe, he admits it with some contempt for the foreigner, but reminds you that they are higher in protected "Anglo-Saxon" America. He may be virtually wrong in either case or in both; but we are here dealing with probabilities as to his electoral attitude towards the fiscal controversy and not with the soundness of his views or the accuracy of his information. If the working classes were preponderantly Radical in politics, as the Reformers of 1832 and 1846 erroneously believed them to be, the high standing of Free Trade among the Liberal traditions might count for something. But they are preponderantly Conservative: so

much so that since their enfranchisement in 1884, the only brand of Democracy they have tolerated—outside municipal Progressivism, which repudiates Free Trade in labor—has been Tory Democracy.

The Case for Free Trade.

Let us now turn from the inducements of Protection to the real strength of the Free Trade position. Free Trade has its heroic side: Cobden was something more than the mouthpiece of the sordid manufacturing interests of the forties; and his doctrine is as applicable to the new conditions as to the old, though it makes much greater demands on the national mind and character, and has no such overwhelming backing of immediate commercial interest.

Let us assume that for all practical purposes there is now no permanent need for international trade between civilized nations in machinery and textiles, in metal-work, wood-work, brick-work, glass-work, or, indeed, in anything but natural products—that each nation, after a protected apprenticeship, can do all this work for itself just as skilfully and cheaply as any of the others. To the Protectionist this seems a decisive concession. Convinced as he is that by a combination of tariffs with price manipulation and dumping, those competitors who enjoy all the economies of production on a very large scale can capture our existing markets, he asks whether, when there is no economic advantage to be gained by it, we intend deliberately to allow ourselves to become as dependent on the foreigner for every article in our houses, including the fabric of the house itself, and for every stitch of clothes on our backs, as we now are for our food. The super-Cobdenite answer is simply Why not? Why does a Prime Minister or a poet, an Archbishop or an astronomer, recklessly make himself dependent for the blacking of his boots and the cooking of his dinner on a class which is in continual strife with his own? Why does he not clamor for Protective legislation to secure for him a share in the bootblacking and the cooking industry? Clearly because he has mastered a more difficult function, and knows that it is worth his household's while to perform the easier one for him. Far from being disabled by his exclusion from the common drudgeries of civilization, he finds his wealth, power and importance greatly increased. He accepts the theory of staple industries without reserve, and insists that his own industry is a more important staple than agriculture, because man does not live by bread alone.

Therefore, says the super-Cobdenite, let any of our present industries go if it must: we can find something better to do, and pay for our imports with the fruit of higher work. Now, whatever else this doctrine may be, it is not sordid. Nor can it be bluntly dismissed as unpractical; for the process it contemplates is one which no tariff can finally stand against if we are capable of higher occupations than our present ones. It may become the avowed policy of the world when social integration obliterates frontiers and effects those simple socialist preliminaries, in the absence of which industry is only an organization of robbery. Even as it is, a strong case can be

made for it. At worst, though we are clearly no cleverer than our neighbors at present, yet Necessity is the mother of Invention; and if the supplantation of all our industries by foreign competition, which is theoretically a possible phenomenon under Free Trade, forced on us the alternative of facing starvation or else finding some new employment for our brains and labor, we probably should not all die, though some of us might before the rest were convinced of the reality and imminence of the danger, like the unfortunate Tuscan strawplaiters who cling, for twopence a day, to an industry in which they have to compete with Chinese women chopstick-fed with rice by their sweaters lest their hands should have to stop work for a moment. We very wisely exchanged strawplaiting for straw hat-making; and nobody doubts that Luton is all the better for it. But a general supplantation is still only a vision. Before it comes, all possible improvements in methods of production have to be exhausted. Now it is not credible that we have yet got further than the threshold of the mechanical developments that lie before us. We have not yet harnessed the tides to our power factories,* nor taken the house-to-house distribution of electric power and the use of machine tools in highly skilled fingers seriously in hand. Until we do, a return to protection may well seem to the super-Cobdenite a mere refuge for laziness and a respite for obsolescence.

The Socialist Free Trader.

Certain obvious replies to this are discounted when the Free Trader is also a Socialist. For instance, the fact that Venice sank when her trade left her, and that what happened in Venice has happened in all the other States and cities which have been left high and dry by changes in the currents of trade, is not conclusive as to future developments. The defeated trades and methods, like the old handloom weavers in England, have always begun the decay by starving themselves in a desperate attempt to undersell the victorious foreign product. The Socialist Free Trader advocates a statutory Minimum Wage, with such an extension of our Factory Legislation that an industry would be abandoned the moment it ceased to support its employees at the full national standard of living. If Venice had known this modern political device, and had been forced by it to choose between sudden death and (say) the Suez Canal, before her energy had been sapped by poverty, she might possibly have made the canal and even invented the turbine steamer, or, at least, established the best fleet of Cape liners in Europe. Unfortunately, Venice had cheap labor, the greatest curse under which a State can groan. If the United States beat us in mechanical invention in the nineteenth century, it was because their labor was, happily for them, so dear. If we engaged a hundred laborers to do the work of two Americans with a hydraulic lift or a steam crane, the reason was that human life was cheaper than machinery in England and dearer in America. If the twentieth century Free Trader,

* See *Britain and the British Seas*, by H. J. Mackinder (London: Heinemann; 1902).

unlike Cobden and his followers, combines freedom of imports with the resolute enforcement by law of a high standard of living for labor at home, so that the fatal path of competition in cheapness founded on sweating is barred, and only the upward path of increased efficiency in production, or the opening up of new and higher industries (in short, the advancement of civilization) remains open, he is on new ground, and the rout of the Manchester economists by the Bismarck-Chamberlainite school does not affect him. The supplantation by foreign competition of all the trades lamented by the Birmingham Tariff Reform League, including even the fiftieth annual and positively final ruin of the Welsh tin plate trade, leaves him as tranquil as the Jews are left by their withdrawal from husbandry to finance, or, as it might be fashionably called, "the ruin of Jewish agriculture." All we have to do is to meet foreign competition by improving our methods (as in sugar refining) up to the limit of possibility; and if we are then surpassed in economy of production for any reason whatever, we can surrender the industry without regret, and make ourselves dependent on other nations for it as frankly as we have made ourselves dependent for wheat, at the same time entering on a higher industry to get the wherewithal to pay for our imports. If, in the future, Russia or America builds all the ships in Europe, manufactures all the house fittings, makes all the hardware and soft goods, and, in short, as far as the ordinary everyday commodities of civilization are concerned, reduces the rest of the world to the dependence of a Rothschild, whilst the other nations emulate one another in scientific and learned handicrafts or headcrafts, the only party to the transaction who need complain of having the worst of the bargain will be Russia or America as the case may be. It is easy to object on the ground of the unwholesomeness of excessive specialization; but factory industry without abundant leisure and good wages is specialization gone mad. The higher pursuits carry their own cure for specialization; for no one can work at them profitably for long hours; and the specialists of the higher professions are the amateurs of a hundred sports, athletic and artistic, and even of a hundred industries, from forestry and haymaking to roadmaking. In fact, though division of labor among slaves and proletaries may be and has been carried to a dehumanizing extreme, it has no terrors for the Socialist Free Trader; whilst the ideal of perfect independence and self-sufficiency, whether for individuals or nations, is, in his view, absurd beyond all reasonable tolerance.

Our worst danger lies in the possibility of the United Kingdom investing its capital in this hypothetical Russia, and living on its dividends, making the whole country a magnified Nice or Mentone, with huge imports, no exports, and a population of retainers ministering to an idle and worthless rich class; but as this is an evil which is rampant already, and will have to be sternly extirpated by Socialism, protection or no protection, Free Trade or no Free Trade, if we are not to go the way of Rome or Babylon, no Socialist can include it as a factor in his political theory of the future. It is silly

to take measures against the foreign producer whilst submitting like sheep to the exactions of the unproductive consumer at home. No producer, whatever his nationality, can injure us as our own idlers injure us; and in spite of the parliamentary conspiracy of silence on this point, it will remain the true centre of the industrial problem, and of the moral and patriotic problem, until we have courage and character enough to face it and set our idlers to work. If we persist in plutocracy, nothing will be of any use: we shall simply go to the devil with our eyes open. What is the use of ignoring the glaring fact that the tariffs of the protectionist countries have not solved a single social problem for them? Their populations are just as poor, their bankruptcies as frequent, their crises of unemployment as acute, their slums as squalid as ours. Protection is precisely like Free Trade in the fact that when either system displaces a trade the workers suffer the worst of the ruin, and when it multiplies its gains the prize money is riddled through a ladder and the proprietary class gets what falls between the rungs.

The Confusion of Tongues.

Another practical political question of the hour is whether, pending the actual planking down of Mr. Chamberlain's tariff—the original ten per cent. proposals, having served their purpose of opening the discussion, may now be discarded—any real agreement can be found among the partisans who have been taking sides on the question of Free Trade *versus* Protection since October, 1903. Consider again the double object of the Tariff agitation: the further integration of the Empire, and the protection of British industry from foreign competition. Each is put forward as a stalking-horse for its fellow; and the result, for the ordinary citizen, is the usual British muddle, our political orators and leader writers slipping from one point of view to the other, and condemning all discrimination between them as “inconsistent.” Many “little Englanders” covet Protection so keenly that they are ready to sacrifice their anti-Imperialism for it. Many Free Traders desire the Empire so ardently that they are ready to sacrifice Free Imports to it. Many Socialists who believe in Free Imports would sacrifice United States wheat for a statutory minimum wage, and German steel for nationalization of railways. Many Protectionist Socialists dare not trust our present class Governments and their lobbies with the power of manipulating tariffs. The cross currents of interest and theory are so numerous that even in parliament, where party discipline is forced to the utmost, we have the Conservatives divided into Free Importers, Retaliatory Free Fooders, and Chamberlainites; whilst on the Liberal side the old divisions between Anti-Socialists and Collectivists (alias Whigs and Progressives), Roseberyites and Bannermanites, are now complicated by a Liberal Tariff League opposing the Cobdenites, and indeed by the very divisions on the Fiscal Question that have appeared on the opposite side of the House. No doubt the popular newspaper division between Balfourite and Chamberlainite is a blunder: Mr. Balfour has certainly done all that

man could do to explain that he is ready for Mr. Chamberlain's program as soon as the country is ready for it, and that nothing short of it will be of any use. None the less, two sorts of tariff are possible: one to tax imported manufactures and leave food free, thereby accepting our dependence for wheat on the United States and Russia, and on the Argentine for mutton, as frankly as we accept our necessary dependence on China for Chinese tea; and the other to tax not only manufactures but food imported from outside the Empire, with a view to make the Empire self-sufficing as to food by substituting Canadian for United States wheat and New Zealand mutton for South American. Add to the intelligent exponents of these two views the unintelligent people who, vaguely assenting to the cry for a weapon to retaliate with in tariff wars, imagine that a retaliatory tariff need not be preferential and does not violate "the true principles of Free Trade." Set against them the superstitious people who believe that the Napoleonic episode of the big and little loaf was a Cobdenite episode. Finally, imagine the effect of coming to business in the House of Commons with a tariff on 2,000 articles, with Mr. Chamberlain fighting his way in committee through the opposition raised by quite unforeseen practical reactions of his proposals, with supporters attacking him here, and opponents rallying to him there, according to the special incidence of this or that item of the great tariff; and some faint notion may be gathered of the approaching confusion, and of the absurdity of supposing that there is any single clue, in the shape of an abstract principle, that will guide our statesmen and electors through it.

Another Way Out.

On the whole, it is fortunate that tariff manipulation is not the only active course open to us. There are other ways of helping our oversea commerce; and as those ways fortunately involve important instalments of Socialism, the Fabian Society desires to draw attention to them, knowing that their Socialistic character will recommend them at once to the intelligence of the country, and shock nobody but its ancient politicians. Further, they are badly needed in any case, and will, in fact, have to be dealt with whether the Governments of the next ten years be Free Trade or Protectionist.

The Empire.

First, there is the question of the enormous distances which separate the provinces of the empire. If these distances were over land instead of over sea, the empire would be impossible. As it is, they constitute a striking difference between us and the German Empire, the United States, and indeed all the other world-powers, which, except for their African territories, are, so to speak, ring-fenced. A glance at the map of the world will shew how natural it is that Bavaria should be federated with Wurtemberg and Illinois with Indiana, and how absurd it is that Jamaica should be an appendage of England and that Canada should maintain armed forces and custom houses against the United States. Such incidents as the flat

refusal of Canada to contribute to our fleet on the express ground that she intends to have a fleet of her own, and of Australia to admit our exports freely, shew how determined our colonists are that the bond between us shall not be one of dependence or subjection. They do not want to cut the painter; but they will keep the axe in their own hands. Considering that these distant Dominions and Commonwealths, though on many points much more Conservative in sentiment than we are, are practically as Republican in their social atmosphere as Switzerland, whilst Imperialism in England is associated with a revival of court influence and aristocratic prestige, is it not at least possible that there will be a considerable revulsion of feeling among the colonial premiers and their class as soon as they become sufficiently familiar with London society to realize the exclusiveness of our system and the frivolity and idleness of the colleagues it will saddle them with? The notion that the forces making for disintegration can be neutralized by ten per cent. preferential duties is not worth discussing: indeed the raising of the fiscal question seems at least as likely to reveal our commercial antagonisms as our community of interests. And the huge distances will be mighty forces on the side of disintegration unless we abolish them.

Well, why not abolish them? Distances are now counted in days, not in miles. The Atlantic Ocean is as wide as it was in 1870; but the United States are four days nearer than they were then. Commercially, however, distance is mainly a matter of freightage. Now it is as possible to abolish ocean freightage as it was to make Waterloo Bridge toll free, or establish the Woolwich free ferry. It is already worth our while to give Canada the use of the British Navy for nothing. Why not give her the use of the mercantile marine for nothing instead of taxing bread to give her a preference? Or, if that is too much, why not offer her special rates? It is really only a question of ocean road making. A national mercantile fleet, plying between the provinces of the Empire, and carrying empire goods and passengers either free or at charges far enough below cost to bring Australasia and Canada commercially nearer to England than to the Continent, would form a link with the mother country which, once brought fully into use, could never be snapped without causing a commercial crisis in every province.

Of the real conditions of ocean traffic at present the public has no suspicion. All our lines of communication are controlled by shipping rings which carry preferential rating (an illegal practice in our inland transit) to an extent that would shock Mr. Chamberlain back again to Free Trade if he realized it; for their preferences are by no means patriotic: they have helped Belgium into our Indian market, and Germany and America into South Africa and New Zealand. The Cotton Conference of Liverpool directly assisted the American exporters of cotton to China by the heavy charges they made against the Lancashire manufacturer—charges which were modified only after repeated protests. These rings and rates constitute the most dangerous disintegrating force we have to face.

Our railway experience proves that it is not enough to make preferential rates illegal. They reappear too easily in the form of rebates, and even of allowances which belong to the more private chapters of capitalist history. Besides, even if the preference of certain customers could be abolished in all its forms, indirect as well as direct, the preference of places would still remain; for though you can prevent a transit company from openly agreeing to carry one man's cotton cheaper than that of his next-door neighbor, you cannot compel it to give equal advantages to all the towns and all the ports in the Empire without regard to their distance from our shores; and this is why the attempts of the Railway Commission to abolish preference in railway rates have left us with a system which could not be much worse from the national-industrial point of view if there were no Commission at all. There is only one way out: we must own our own trading fleets as we own our own fighting fleet. We want a Canadian fleet, an Australasian fleet, an Indian fleet, and a China fleet as simple extensions of the parcel post. At present, when we undertake only the transport of sacks of letters, we provide for it by Cunard subsidies and the like, including in the bargain a call on the Cunard fleet in certain national emergencies; but it is clear that when we get seriously to work with our whole inter-imperial industrial ocean traffic, the subsidy phase will be outgrown, and we shall build our own liners, and conduct the traffic and fix the rates in the sole interest of the Empire as a whole, and not, as at present, simply with a view to making the highest profits for private shipowners. The Belgian Government has for a long time past maintained its own State line of steamers between Ostend and Dover, greatly promoting its trade with us thereby; and it has not yet occurred to us that the Ostend-Dover line should be to us that most telling of all good examples, a lost opportunity. No doubt it will be asked whether the proposed trading fleets are to be paid for wholly by the mother country for the benefit of her children. The reply is that even so it would pay her much better than the present system. Still, there is no reason in the world why the trading fleet should not be an Imperial fleet administered by an Imperial Shipping Board, or Industrial Admiralty, with the colonies fully represented on it.

But a free or assisted ocean ferry by itself acts as an enormous bounty to the producer on the coast. Imagine the feelings of the Staffordshire manufacturer on finding Sydney, Melbourne and Quebec brought commercially nearer to Liverpool and London, Southampton and Glasgow, than his own works! Clearly we should soon have to nationalize our railways and give land transit as cheaply or freely as inter-imperial marine transit. And there are urgent reasons for railway nationalization, ocean ferry or no ocean ferry. The thrice three hundred times told tale of our absurd system of competing railways—of goods sent from one English town to another via the United States because they are carried more cheaply in that way—need not be retold here. Our system is the laughing stock of Europe. We had to take our telegraph system out of the hands of

private companies because it pays the nation to have a complete system of telegraphic communication even if the public sixpences have to be supplemented by taxation to make both ends of the telegraph exchequer meet. A complete railway system is a still more pressing need, and one that cannot be supplied by separate companies working for separate dividends, or, indeed, for any dividend at all. Nationalization of railways, then, is an obvious and immediate measure compared with which a tariff is the most farfetched of fantasies.

But our railways, as they stand at present, are the merest nucleus of an adequate internal transit system. Industrially, Great Britain consists only of its railway stations. The rest of the country remains unknown and inaccessible. If there were a railway station, or a posting station on a motor road, wherever there is now a post office; and if the absurd 11lb. limit to the parcel post were abolished (beginning, perhaps, with agricultural produce), great tracts of English country which are now, like the village in Haydn's canzonet, "asleep or dead" because all its Lubins fly from its dulness to the unhealthy activity of the city slums, and which no tariff could rouse, would awaken and quicken. It is useless to depend on commercial enterprise for such an undertaking, because commercial enterprise will not, and indeed cannot, construct lines that do not pay, for the sake of national benefits that cannot be swept into the company's till. It is no comfort to a company to see all the incomes in the countryside doubled by its line if the expenses exceed the takings at the booking office. But to the Chancellor of the Exchequer a deficit on a national locomotion budget would be merely a sprat to catch a whale: the increase in the national income would send up the proceeds of his ordinary taxes and excises by leaps and bounds. Besides, his deficit would be less than that of separate companies attempting the same work. The saving by unification of management in railway business is surprising. The Prussian State Railways saved a million pounds a year by a very partial concentration of office management. Plausible calculations suggest that we might reduce our freight charges to the continental level (that is, to one-third of our existing charges), and, by a sinking fund lasting less than fifty years, buy out the shareholders as well out of the saving which a transfer of railways to the State would effect.* Now that the electrification of railways seems to be inevitable, and that the supply of electric power is so largely in public hands, there are technical reasons to expect economy from railway nationalization which did not exist before.

Against such savings must be set the penalty of having left the first planning of our lines to companies which aimed at, instead of avoiding, competition and overlapping whenever they saw a chance of taking one another's business. Unification will therefore cost more now than it would have cost had it been part of a State system

* Sir J. J. Jenkins estimates a probable annual saving of ten per cent. (£9,000,000) by concentration of railway management. Sir A. Hickman believes it would be much more than that.—*Iron and Coal Trades Review*, 15th June, 1900.

from the first. But it cannot cost more than it is worth. The calculations of those who predict a net saving in railway expenses by nationalization are quite unnecessary. Railways on a commercially paying basis are as absurd as Cheapside or London Bridge with turn-pikes and toll takers to levy their cost on users. Nobody now is so foolish as to expect the Bath Road to shew a profit on the cost of surveying and mending it; and there is even less reason for demanding a dividend from the Great Western Railway. Unfortunately, we are not likely to think of this, obvious as it is, as long as we remain a nation of shopkeepers, and fatuously accept that jibe at our deficiency in social comprehension as a compliment to our practical turn. Our canals, with their obsolete tow-path banks which will not bear the wash from modern water motors, satisfy our notions perfectly, even when we have seen the new Belgian canal which is to raise Bruges la Morte from the dead. The Manchester ship canal, obvious as the need for it was, should have been made by the central government; and it is disgraceful to us that it was not so made, as it would have been in any other developed European State. With national railways and canals, and an unlimited parcel post, we should give small holdings a chance, and find out what English agriculture can do for itself under reasonable conditions. But it seems easier to us to balance the ruin of our own farmers by an attempt to ruin the American farmers than to face the effort of collective action for the restoration of agricultural prosperity. During the last half century we have lost more by our "business principle" of dividing up our national work into competing one-man and one-company speculations, and insisting on every separate speculation paying its own separate way, than by all the tariffs and blockades that have been set up against us.

Foreign Trade.

Foreign Trade, too, needs a little more "paternalism" than we give it. There is nothing in our annual balance sheet, obsolete as it is in many respects, quite so staggering as the item of £600,000 for our entire consular and diplomatic service. This is not a misprint for six millions or for sixty: we actually spend no more on the representation of British interests in the four continents than six hundred thousand pounds; and this sum includes our political diplomatists as well as our commercial agents. No doubt our ambassadors and attachés willingly add their private means to their salaries in order to protect themselves against middle class intrusion and competition; but the consul must either live on his pay or give most of his time, his thought, and his interest to private business. The following "slice of life" from a recent description of the trans-Siberian railway gives a convincing impression of the result.

"After going to my hotel [at Vladivostock, the most important town on the Trans-Siberian railway] I went out to visit the English Consul. There wasn't one. So I called upon the American representative. 'And there isn't a British Consul or a British representative here?' I moaned. 'No. There are commercial representatives of France and Germany and America, Holland and Japan, but no British representative. One or two of the Britishers here have been

worrying your Foreign Office this last year or two; but they don't take much notice. Guess you Britishers don't want trade. We Americans and the Germans have the most of it.' . . . Another day I met a Britisher from Shanghai who was half-despondent and half-blasphemous about British trade not holding its own. He gave me what he called an instance of how the British Consul is 'too big for his job.' He went into a Consulate recently and asked, 'Could you, please, give me a list of all the merchants in this town who are in such-and-such a line?' 'Who are you?' asked the Consul. 'Well, I'm travelling to push this particular line in the East.' 'Look here,' said the Consul, 'you musn't think I'm here as a sort of directory to help men who have got something to sell. You quite misunderstand a Consul's duties.' 'Now,' continued this wrathful Englishman to me, 'I went straight to the German Consulate and asked as politely as I could if he had a list of firms who dealt in so-and-so. Of course he had: he told me all about the local prices and who would be likely to do business with me.'**

Here we come upon the root of half our difficulties in the inveterate survival of the tradition that the public service is only the outdoor relief department of the House of Lords. Our system of primogeniture involves the existence of a younger son class which, having no property, must either lapse into the vulgar earning class or else be provided with sinecures. Formerly our dukes had no scruple in extending this method of providing for their relatives to their superfluous butlers, who regarded the Inland Revenue Department much as the cadets of the house regarded the embassies, the Foreign Office and the Guards mess: that is, as their perquisite. The scandals of the Crimean War led to the introduction of the competitive examination system for the Civil Service, and the abolition of purchase in the army; but though this got rid of the butlers, and forced the younger son class to compete for places with the whole class of the secondarily educated, it did not alter the sense of caste which leads a Government official to repudiate the notion that he is a commercial traveller, and haughtily contest the right of "the public" to come into his office without an appointment or introduction and ask him questions. Now a consul who is not a national commercial traveller, and who is preoccupied with the importance to his own social position of keeping the common bagman at a distance, is a greater danger to the Empire than the American and German fleets combined.

But, indeed, the very word consul is a guarantee of pompous nonsense. What we want is an agent whose duty it shall be, not to fly the British flag and insult the British traveller, but to get business for us. Australian gas coal and hardwood have been introduced into South Africa, not by the silent operation of Imperial fraternity, but by the hustling of the trade office opened in Cape Town by the Governments of New South Wales and Victoria. Canadian government agents send home not only consular reports to be buried in bluebooks which are never advertized nor exposed for sale, but orders for Canadian produce. We, on the other hand, do not get any consular reports from our colonies. It may be asked, why? The official reply is so exquisitely foolish that it should not be read

* *The Real Siberia*, by John Foster Fraser (London: Cassell; 1902. 6s.).

without a little preparation. If the reader is now sufficiently braced, he may go on to learn that as consuls are under the Foreign Office, and the colonies are not foreign countries, we have no consuls in the colonies!

The spectacle of the activity with which our colonial and foreign competitors are backed by their governments is not wholly lost on us; for we find our trade papers vainly demanding from our incapable "governing class" British Trade Bureaus in the colonies to keep British manufacturers posted in every movement of supply and demand, every advance in foreign competition, every opening for home enterprise, besides offering suggestions for the recovery of lost trade, and keeping lists of importers and files of trade catalogues shewing net prices, for reference on the spot. Can any sane man doubt that we need a service of this kind in every country with which we trade? Its organization would not be a mere matter of a consul at every port. The local agencies doing routine work in any country should be centralized by a head agency or Trade Bureau, in which a staff of experts in woollen, cotton, iron, etc.—not forgetting an expert in labor conditions—should help to concert our trade with that country as a whole. There should be permanent exhibitions of British products in foreign towns or ports, and permanent exhibitions of foreign products in our own manufacturing towns (this is the reality at which that absurd job, the Imperial Institute, aimed awry), both exhibitions being carefully kept up to date. If all the British exporters in each branch at each port would pool their interests so far as to form a Guild to accept contracts, afterwards dividing the contracts among themselves, the British agent could obtain contracts to place at their disposal; but this would involve standardizing the quality of British products so as to stop the export of damaged and inferior goods. The Bradford Wool Conditioning House, established in 1891 with parliamentary powers, standardizes wool now. The Congested Districts Board markets in England fish caught on the west coast of Ireland. Victoria organizes her poultry and egg export trade. In these matters there is much to be learnt from the Canadian and Australasian Agents-General. Their governments already standardize produce at the exporting seaport. They know how their official trade commissioners work already; and they themselves lose no opportunity of raising the credit of their colony's securities, and encouraging our investors to supply them with cheap capital. Among other exploits, they have established a Reign of Terror in the London Press by the vigor and the convincing fulness of information with which they annihilate the newspaper correspondents who try from time to time to grind commercial axes by assuring the *Times* that their colonies are on the verge of bankruptcy, and their advanced labor laws breaking down in a welter of ruin and confusion. One wonders how soon England, instead of complaining uselessly of the attacks made on her in the continental press, will take a leaf out of the book of New Zealand, and take care to have these attacks met by somebody on the spot who is neither a Stilt

stalking at the Embassy nor a Barnacle sticking to a little consulate, but a genuine Agent-General or Trade Commissioner for Great Britain.

Technical Education.

It can hardly be said that we neglect education as we neglect transit and foreign markets. On the contrary, education is now as much a fetish in England as in China. Millionaires who, a few centuries ago, would have left funds to redeem Christian prisoners from Turkish captivity, now divide their bounty between hospitals and schools or public libraries; and the hospital is dragged in only because it has a spiritual function practically identical with that sixteenth century sale of indulgences of which Tetzels was the Sydney Holland. When we abolish the subscription-begging private hospital, many of its gifts and bequests will be turned to education; but they will still be largely wasted on survivals of the old schooling which was devised to produce that obsolete commodity, the book written in Latin (the medieval Volapuk or Esperanto), and that obsolete specialist, the medieval grammarian. In the Mesopotamian name of Education we might sink hundreds of millions without getting what we most urgently need: that is, more technical instruction in industrial and political science. All the free libraries in the world will not turn our ignorant and passionate Liberal and Conservative partisans into capable voters, nor save our electrical manufacturers from disgraceful defeat, beyond all practicable rescue by the custom house, at the hands of German-Swiss firms. Our most ancient and famous universities are too venerable for reform. An attempt to adapt Oxford and Cambridge to modern industrial needs would be an act of Vandalism comparable to the turning of Westminster Abbey into a railway station. They are the only two institutions of their kind in the world; and though it is conceivable that in the future their undergraduates and dons may be represented by wax figures, and admission regulated by a turnstile, no real change is likely to be tolerated. It is none the less necessary to recognize the need for genuine modern universities consisting of technical schools, and making no attempt to compete with the older foundations in their professed work—hardly convincing in its results—of forming the character and enriching the minds of its students, relying rather on the moral and intellectual discipline of learning to do something under pressure of a conviction that the acquirement will presently have to stand the severe test of the markets of the world. We recognize this need so far as to give to our university colleges £27,000 a year: about the income of a single peer anxiously looking out for an American heiress to increase his pocket money. Would it be too much to suggest a prompt increase to at least a beggarly quarter million?

But suppose we get our quarter million! Suppose we even attain to as many and as well equipped and efficient universities as Prussia or France, where are we to catch our students and professors? There must be a capacity-catching machine to find them

—one which will set to work on children ten years before they are ripe for the university. At present the machine is a chance supply of secondary schools to which only ten per cent. of the population can afford to send their children. This means that our brainworkers, instead of being the pick of a hundred per cent. of the population, are not even the pick of the ten per cent. who can afford secondary education; for the most expensively educated of the ten per cent. have independent incomes and therefore no incentive to acquire any sort of productive efficiency. In Scotland the capacity-catching machine reaches a much larger percentage; but it catches only one sort of capacity, the examination passing sort. The new education authorities, with the shortcomings of the Scotch and English systems before them, have ample powers to establish secondary schools and to enlarge the capacity-catching machine by elementary scholarships entitling the holders to maintenance during their passage through those secondary schools, where further scholarships could select capacity for technical colleges. That is, they can do these things if the ratepayers will let them. If we are a superior race with a great future before us, the ratepayers *will* let them. If not —.

But the recognition of the fact that industry is an art in the university sense involves consequences that have not yet been faced. It is not so very long since surgical bleeding was looked on as the natural gift of a barber, and dentistry of a blacksmith. Yet we have practically abolished the barber surgeon and the blacksmith dentist. We are even timidly interfering with Mrs. Gamp the heaven-born midwife. Our plan is to make it either illegal or prohibitively disadvantageous to practise surgery, dentistry, or midwifery without a qualification—meaning without a certificate of technical proficiency only obtainable after a period of technical training followed by an examination. What we do not yet realize is that the qualifications of the directing staff of an engineering firm, a shipbuilding yard, a railway, factory, colliery or bank, are as important to the nation as the qualifications of a professional man. Many large commercial concerns have an official doctor, a chaplain, and a solicitor who obtains counsel's opinion when necessary. But they cannot give any of these appointments to an unqualified man merely because he happens to be related to a director, an influential shareholder, or the chairman. Yet the best paid places in the counting house and the manufacturing departments may be filled by just such nepotism. There is no reason whatever why this should be tolerated. If a doctor may not hand over his practice, or even his surgery, to his son until the son has been statutorily registered as a duly qualified physician, surgeon, and apothecary, why should a "captain of industry" be allowed to hand over his shipbuilding yard, his factory or his foundry to his son quite unconditionally? It may be argued that incompetence in business brings its own remedy in the form of loss and ruin, whereas doctors and lawyers actually become famous by the deaths of their patients and the execution of their clients. But this is not how things actually happen. The practical exigencies of business create for every trade a routine which can be followed with

out comprehension, and almost without intelligence, by anybody who will "go to the office" regularly and do what comes to his hand in a customary manner for so many hours a day. That is how the great mass of our business is actually done. The thoughtlessness and conservatism of this method bring about no such dramatic retribution as overtakes the good-for-nothing who will neither attend to his routine nor live within his income. On the contrary, the elimination of individual eccentricity makes everything go steadily until the whole trade begins to stagger under the competitive pressure of rival routines brought up to date by American and German manufacturers who are using, not only their own brains, but the superior training and knowledge of a staff selected from the graduates of the technical universities which their nations have had the sense to establish and endow. In English businesses there is practically only one rule: "do what was done last time." It is a safe and most brainsaving rule as long as the rest of the world marks time in the same manner; but when new conditions have to be faced, and new occasions risen to, it is suicidal. One good technical university is then worth ten custom houses.

Other Reforms.

There is no end to the reforms by which the threatened Tariff could be put off by a really active positive—not negative—Opposition. There is the bounty system, which does not raise prices, and might be used to hasten the development, within the Empire, of supplies of food and raw material to replace those which our present alien purveyors will soon want for their home markets. This would include the establishment of cotton fields in our own tropical provinces, a measure already demanded by Manchester, and one that would have been taken in hand long ago if the Laisser-faire tradition had not blinded our Governments to all sense of public obligation and national thrift in the industrial sphere. Our present supply of long wools is not the result of Laisser-faire: it was deliberately created by the Bradford Chamber of Commerce in 1859 and afterwards by sending out long-haired sheep, advising colonial breeders, etc. It is quite easy to form a Lancashire Cotton Supply Committee with the Government represented on it, and give it half a million to produce an Imperial cotton crop which we alone should have the right to purchase. To provide the necessary funds, including bounties for all purposes, we have available for taxation the hundreds of millions of unearned rent and interest which we now, with sickening unthrift, waste on idleness and fashion, not having a word to say, apparently, about those English exports, unbalanced by any imports, which make the Mediterranean coast and all the fashionable capitals of Europe so many traps to catch English money and waste it. Our local government system, enormously developed by the legislation of the last fifteen years, has reduced its obsolete municipal area boundaries to absurdity, and made the unification of some of our municipal services by specialized provincial departments a pressing need of the time. Behind the railway and shipping question there is the

question of the mines and quarries and the land. We have never explored our coalfields, because our official Geological Survey is not allowed to make deep borings for an underground survey, the existence of coal being treated as the private business of local landholders and speculators, whose communications on the subject are too obviously interested to command confidence. Agriculture is clearly not as productive as it might be: we have in last July's consular report on Agricultural Instruction in Germany an account of the experiments made in Quednau, in East Prussia, by Dr. Backhaus, who took a neglected estate with poor soil, in an unfavorable climate, with a record of six years' annual loss of £200, and managed to extract $3\frac{3}{4}$ per cent. profit from it in spite of all initial experimental blunders. There is nothing new in this: example after example has suggested for years past that our "scientific" agriculture, introduced a century ago at the instance of Arthur Young, is not the last word on the subject. Finally there is the great poverty question, defeating all reform by reducing the majority of the population to a condition of untrained drudgery which makes modern scientific methods as useless to them as a Marconi transmitter is to a railway fogman. No tariff will remedy that.

The Liberal Party.

Unfortunately, we have no positive Opposition—nothing but a negative Obstinacy. The Liberal Party, with one leader whom nobody will follow, and another who in theory dreams of the Individualism of William Pitt, and in action tries to rally the ratepayer to the attack on the Progressive municipalities, has nothing to offer its Free Church friends but the hostility of its Agnostics to the Establishment, or to its Teetotaler partisans but a select taste in wines and a readiness to close the poor man's club at the corner. It cannot get its chiefs to relieve either taxpayer or ratepayer by an attack on unearned incomes even in the popular, though invidious, form of Taxation of Ground Values; and as for sweating, neither its sensational horrors nor the most convincing economic demonstrations of the social, political and industrial disastrousness of it can move them to agree to a new Factory Bill. But it is useless to pursue this theme: the Liberals have spent their reputation. There is no more gratitude for them to abuse, no more confidence to betray, no more hope to defer. Until quite lately it was said of them that they were not worth voting for because they could not get their measures through the House of Lords. To-day it is impossible not to rejoice in the fact that so comparatively progressive an institution as the House of Lords retains a veto on their powers of reaction.

The Conservative Party.

As to the Conservative Party, it has effectually cleared itself of all suspicion of Conservatism, perhaps in despair of competing with the Opposition on that point. When legislation is demanded, Conservative Ministers do not hesitate to send a sheet of paper into

Committee with the words "Be it enacted, etc." at the top, knowing that it will clothe itself with sufficient amendments to come out as a tolerably workable Act. But if all the Acts of the present and late Conservative Governments had been drafted by Solon and passed through committee in charge of Socrates, the country would still be asking itself whether it can stand any more of the fashionable amateur Secretaries of State and Presidents of Boards who are not even sportsmen enough to buy horses for the army without being cheated. The imagination will not bear the strain of conceiving these gentlemen struggling with the huge and ruthless commercial interests which will, if the Conservatives return to power, lobby the tariff to suit their own balance-sheets without the smallest reference to the common weal. "Measures, not Men" is a plausible electioneering cry; but the Conservatives really carry it too far: a counter-cry of "Ministers, not Nincompoops," is bursting from the throats of a sorely tried nation. If the next Cabinet be the usual Conservative Cabinet with Mr. Chamberlain at the head of it, then it is hard to say whether Mr. Chamberlain or the nation will be the more to be pitied. If, however, it be a Chamberlain Cabinet, meaning a Cabinet of younger men of Mr. Chamberlain's own stamp, then—well, then we shall see what we shall see. Meanwhile, it would be interesting to hear Mr. Chamberlain's views on this subject.

The Labor Party.

The Labor Party is at last making an attempt to mobilize; but it still bolts into the Liberal camp at every alarm, and will continue to do so until it accepts Socialism as the basis of its policy. Mr. Chamberlain's agitation, now openly organized as a formidable employers' movement with labor as completely unrepresented as the professions and the fine arts, would instantly have united an intelligent Labor Party on two points. (1) A statutory minimum wage automatically varying with prices in order to guarantee a standard livelihood to the laborer in every trade in the event of a tariff raising prices. (2) A public pledge from all opponents of free imports that, in the event of a tariff producing additional revenue, not a farthing of it shall be applied to the reduction of taxation on unearned incomes. It is true that Mr. Chamberlain, in moments of emotion on the platform, gives personal pledges on matters which are obviously beyond his power, and, for the Empire's sake, would probably, in a crisis of patriotic enthusiasm, pledge himself in all sincerity to good harvests for the next twenty years. But such a definite financial pledge as we suggest could not be repudiated without open dishonor; and it would at once find out which are the sincere Imperialist enthusiasts, and which the schemers who are advocating the tariff solely as a means of reducing their own Income Tax bills by an increase of indirect taxation. As a Labor Party, whatever its views may be as to Free Imports, must necessarily be uncompromisingly Protectionist as regards the laborer's standard of life, it should differentiate itself from the Liberals and their Whig leaders by

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