

“THE PLIGHT OF ENGLAND”: A REPLY

BY LIEUT.-COMMANDER THE HON. J. M. KENWORTHY,
R.N., M.P.

THE Editor's article on this subject in the last issue of THE NORTH AMERICAN REVIEW has rightly aroused much comment in Great Britain. His friendly attitude towards us is very fully appreciated and he is known as one who did much to keep alive the friendship between the United States of America and Britain. For these reasons, and also in view of the whole tone of the article, it has aroused much attention. We are used to the pessimistic accounts in this country of politicians out of office, of captains of industry grumbling about high taxation, and of Trade Union leaders with many of the members of their Unions on the unemployed lists. And we take very little notice of the criticisms of known ill-wishers of our country. But Colonel Harvey's article is in quite a different category and has probably done more to arouse public attention to the needs of the day in Great Britain than anything else.

At the same time I shall find myself obliged to traverse many of the statements and arguments and to oppose certain of the conclusions. In the first place the preliminaries include an account of the declarations of Sir Esme Howard, as Ambassador in Washington, in which he stated that the time might come in the near future when the United Kingdom would be unable to meet her financial obligations to the United States. To speak quite bluntly, this declaration is nonsense. It was certainly unauthorized. No British Government would dare to instruct our Ambassador in Washington to make such a statement without the assent of the House of Commons. I know that assembly pretty well, as I am sitting in my fourth Parliament. Any Government putting forward such a suggestion would strike a blow at its own position which might prove fatal. For both the Labour and Liberal Parties and the bulk of the Conservative

Party itself, which now holds power in London, would instantly repudiate any such suggestion; if the Cabinet proceeded with it it would fall; and either a dissolution would take place or another Cabinet be formed more representative of the views of the great mass of the British people.

Let there be no mistake about this at all.

We are nowhere near default, and the burden of our payments to America for debt service, though heavy, is borne with a good grace and, moreover, without undue strain on our resources. We have built up British credit over centuries of effort and have just worked through a painful process of deflation in order still further to secure that credit. Rather than fail to meet our foreign obligations we would cut down every Government and social service and reduce the interest on our own internal debt. The service of our foreign debts will be the last on which we would economize. Everything else must go first. Let it be clearly understood that there is no responsible public man, business man or labor leader in this country who would not endorse every one of the above words.

As a matter of fact many of our business men returning recently from the United States have reported that harm has been done to the credit of this country by the utterances of our own leaders of thought with regard to the financial and commercial plight in which we find ourselves. I shall deal with the reasons for this presently. Let it suffice for the moment to state that we are suffering like every other combatant country in Europe, and most of the neutrals, from the results of the War; and that it has been necessary at all costs to shake our people out of their complacency.

But what is really the opinion of Britain at Washington and in Wall Street?

The best test will be the terms offered to the several public debtors of the United States. These are avowedly based on the supposed capacities of the several countries to pay. Two settlements have been arrived at so far, one with Britain, the other with Italy, apart from the small matter of the Polish debt. Supposing these to be arrived at with an eye on the paying capacity of the two countries, if we compare the terms agreed upon for interest

and sinking fund to Italy with similar terms for Britain we find that the capacity of Britain to pay is reckoned at fourteen times that of Italy. In other words, if for our debt we had received the same terms as Italy has for her debt, we should be paying only one-fourteenth of what we actually do pay in a year now.

But it may be said that Britain is going from bad to worse and that her trade is actually declining and her unemployment increasing; and very impressive figures are marshalled in the article referred to. I, also, shall quote some figures, but at the outset I would like to draw attention to a national trait among the English which frequently deceives strangers and with which we sometimes even deceive ourselves. This is our national habit of grumbling and self-depreciation.

Nearly all the successful business men with whom I am acquainted are on the verge of ruin all the time, according to their own statements. I hardly know one man over fifty years of age in Britain who is not continually saying, at any rate in private, that the country is going to the dogs. Also it must be remembered that the political leaders of the Opposition parties in Britain are more vocal and active than the leaders of the Government who are engaged in administration, and who, generally speaking, must stick to utterances about their own Departments. Whatever party is in power, the Opposition has made a point of dwelling on the dark side of affairs and not on the bright side. This is with the quite legitimate object of weakening the credit of the Government in power.

And it is not a recent development.

For example, when a Free Trade Government is in power in Britain, the Tariff Reformers have always declared the country to be on the verge of ruin. The most notorious of these cases was the late Mr. Joseph Chamberlain when he was leading the Tariff Reform campaign during the more or less Free Trade Government of Mr. Balfour, now Earl of Balfour, and during the actual Free Trade Government of his successors.

In the article referred to, it is stated baldly that England's period of productivity is passed:

Her sole function henceforward can be none else than that of “middleman” or manufacturing intermediary between producers of raw materials and consumers of finished articles, working under the competitive disadvantage of huge costs of both fetching and carrying.

We have always been great middlemen and carriers of goods. Our carrying trade is of the very greatest importance, situated as we are, and makes it possible for us to maintain our great mercantile marine which, in spite of war losses, still represents thirty-three-and-one-third per cent. of the world’s tonnage. This mercantile marine links our Empire together and provides a valuable reserve of ships and seamen for the Royal Navy on which, in its turn, our whole Imperial power rests. Did not the United States spend some billions of dollars in attempting to build up a mercantile marine herself to act as an intermediary, and was not this sound policy on her part? But our manufactures are now going ahead and our export trade is actually increasing, as I shall presently show.

We are, however, suffering with the rest of Europe as a result of the incalculable damage of the late War. What this damage was in material destruction, in loss of life, in dislocation of trade, in abandonment of agriculture, in the withdrawal from production of tens of millions of men and women, is quite impossible accurately to assess. The actual material damage done in Britain was not great, and we have been a little slow to appreciate the impoverished state of the world in consequence. Also the cessation of hostilities was followed by an artificial and transitory “boom”. It has taken a long time for our people to understand our position in the world clearly; and before the War we had got into rather pleasant habits of not working too hard. The great industries and commerce of Britain were built up by very hard-working and adventurous men during the middle of last century; and their successors found it comparatively easy to carry on and even to increase their businesses. All this is past now, and our people are beginning to realize it. Also this must be remembered: There are many sections of all classes in Britain who are not working as hard as they should even now, and are spending far too much of their time and money on luxuries, sports and amusements. But these actually form a reserve of energy and effort

on which we are just now beginning slowly to draw as the people themselves realize that only hard work will pull us through. But this is being realized.

Let me refer to some of the more hopeful factors.

We have, with an effort, returned to the gold standard. Many say this was premature and that it has added ten per cent. to the cost of our goods in the world's markets. But the step has been taken and has been, on the whole, successful.

Insurance, apart from marine insurance, is flourishing. Our banks are in a very strong position. We are again lending in Europe and to our oversea Dominions. Quite recently two big German loans—that to the Potash Syndicate, and the big Textile Loan—were issued in London, having been taken from under the very noses of American financiers. These two big loans, together with the League of Nations loans to Greece, Hungary, Austria, etc., and our share of the Dawes Loan, were immediately over-subscribed. This is hardly a sign of impending ruin. The same applies to the multitude of rubber, tea and coffee companies which have issued capital. Apart from these latter, the following is a list of issues made just before Christmas, 1925:

Potash Syndicate.....	£5,000,000 7 per cent. bonds at 94½.
Cunard SS.....	£4,000,000 5 per cent. debenture stock at 98.
British Tankers.....	£4,000,000 5½ per cent. debenture stock at 97 (about).
Dunlop Rubber.....	£2,000,000 6 per cent. second debenture stock at 98.
Textile Trade Corporation.....	£1,000,000 7 per cent. certificates.
Drapery and General Investment Trust.....	£600,000 6 per cent. debenture stock at par.
Drapery and General Investment Trust.....	£600,000 7 per cent. preference shares at par.
Hungarian Mortgage Bonds.....	£1,000,000 7½ per cent. at 93.

All these public issues show that there is plenty of money available in Britain. The embargo on foreign loans has only just been raised and there is still an unofficial embargo which dis-

courages too much lending abroad. The following are the capital issues made, excluding direct borrowing by the Government:

1922.....	£235,618,550
1923.....	£203,759,754
1924.....	£223,545,932
1925.....	£219,896,630

During most of 1925 there was a strict embargo on all foreign loans apart from those guaranteed by the League of Nations. The fact is that Lombard Street still holds its position as an international banking centre in spite of the efforts of Wall Street.

In 1925 the Bankers' Clearing House made clearances of £40,437,119,000, being the highest on record and an increase of £904,255,000 on 1924.

Much play has been made with the subsidy to the coal industry entered into last autumn. Nobody in Britain likes this, but it was deliberately decided upon in order to avoid the great upheaval of a national strike. The coal industry has suffered by the effects of German Reparations coal,—one of the blunders of the Peace Treaty,—just as our shipping has suffered by the free deliveries of German mercantile tonnage. But this coal subsidy, which may total £30,000,000, is, after all, being spent within the country and is not a dead loss.

With regard to unemployment: one of the worst hit industries apart from coal is the linen industry. But linen is really a luxury and all luxury trades, especially for export, have been hit by the War. Also the depression in the linen industry is partly caused by the changes in fashion, artificial silk largely taking its place for male and female apparel, for example.

It is perfectly true, on the other hand, that there is far too much “water” in many of our large companies, as the result of wartime and “boom” inflations. But much of this is being written off; an outstanding example being the great engineering, shipbuilding and armaments firm of Vickers, which has tackled the problem in a really heroic manner; and other firms are following the same course.

Let me now refer to the actual figures of exports, re-exports and imports on page 200 of the Editor's article. These show that our re-exports and our imports are actually increasing. It is

true our imports are increasing, but these are largely balanced by "invisible exports" such as insurance, shipping freights and loans made to India, South America and the British Colonies. In the first ten months of 1925 we exported £516,406,791 worth of manufactured goods. This total was £33,000,000 above 1923 for the same period, and £3,000,000 above 1924 for the same period. This is not bad for a country that is supposed to be on the verge of ruin. Included in the above are the following items:

Cotton goods.....	£170,000,000
Woolen goods.....	£51,000,000
Iron and Steel goods.....	£57,000,000
Vehicles, including ships.....	£25,000,000
Coal.....	£42,000,000

Take the greatest port in Britain, Liverpool. The total of exports and imports for the last four years is as follows:

1921.....	£528,000,000
	(“boom” year)
1922.....	£484,000,000
1923.....	£533,000,000
1924.....	£582,000,000
1925 (figures not yet out) expected to be over....	£600,000,000

It hardly looks as if the grass has yet begun to grow in the streets of Liverpool.

With regard to the much criticized “dole”: it has certainly done harm to our work people and this is admitted. But it is an insurance, and the work people themselves contribute, willy-nilly, to these insurance funds. In spite of its many evils, we can hardly cut it off without a breach of faith, especially as it is not the fault of the majority of the workpeople that they cannot find employment; and again, the money is actually spent in this country. Unemployment is very serious; but there were 200,000 more people engaged in industry on December 11, 1925, than on December 11, 1924. The latest figures I have show a reduction of 25,000 less than the previous week and nearly 67,000 less than a year ago. The actual figures from the Government return are as follows:

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	<i>Dec. 21, 1925</i>	<i>Dec. 14, 1925</i>	<i>Dec. 22, 1924</i>
Number of people on registers of employment exchanges:			
Men.....	896,400	912,369	897,461
Boys.....	25,900	26,835	30,281
Women.....	157,900	164,662	215,850
Girls.....	22,200	23,580	25,635
Total.....	<u>1,102,400</u>	<u>1,127,446</u>	<u>1,169,227</u>

It must be remembered that, in spite of the War, we have a larger population and there are more women in productive employment in England than before the War.

It is said that our people are reluctant to emigrate. This has another side to it. In most of the countries in Europe involved in the War the people seem only too anxious to get abroad, anywhere. That they are not eager to fly from Britain shows that things cannot be so very bad after all. Also I may be permitted to point out that emigrants are not exactly encouraged to go to the United States. Many are not eager to face the ordeal of Ellis Island. Take the case of a British ex-Army officer, Captain Sidney Fortune, who, for the past five years has been on the staff of our War Graves Commission in the Near East. He recently attempted to land in New York to join a brother in Florida, and was refused permission to land. There may of course have been good reasons, but it goes to show that emigration is none too easy in these days.

Taxation is certainly heavy, though as a matter of fact it was reduced by £30,000,000 this year from last year. Government expenditure is being slowly reduced. But it is not so easy to get rid of the hordes of officials that the British Government Departments established in the War. Our expenditure was reduced from £1,195,428,000 in 1920, which may be taken as the first peace year, to £820,115,000 in 1925. Heavy expenditure has led to heavy taxation, but the standard of living of our people has not been unduly depressed, their savings prevented, nor their physique injured. One indication of this is the enormous and persistent growth of the number of motor vehicles licensed in this country. The actual statistics show that in the past four years

the licenses issued have practically doubled in numbers. The official returns are as follows:

1921.....	873,665
1922.....	979,000
1923.....	1,141,400
1924.....	1,269,606
1925.....	1,537,350

The 1925 figures above include 579,501 motor-cars, 571,552 motor-cycles and 224,287 commercial vehicles.

There are now about 600,000 motor-cycles in use in Britain compared with some 200,000 licensed throughout the United States. This hardly looks as if our people are impoverished.

Compare with Germany. A well-known motor manufacturer, a friend of mine, recently proposed to establish a factory for the making of light cars in Germany. After very careful inquiries he was dissuaded by the reports he received from the best sources as to the lack of purchasing power in that country.

Take another test. One of the leading industries in the United States is the production of cinematograph films. Of foreign markets, the British is probably one of the best. In 1924 the number of attendances at cinema theatres in Britain was 1,050,000,000. Last year, 1925, ten thousand new books were published in Britain. The theatres enjoyed good runs when the plays were worth seeing; and, in passing, may I be allowed to observe that I hope the English drama and also the habits of our people will not be judged by the type of so-called British plays recently showing in New York.

Nor are the savings of the people affected unduly. The Savings Bank returns, like the income tax returns, show a continued upward tendency. One of our worst centres of industry, dependent as it is so much on the shipbuilding and engineering trades, both so hard hit, is Glasgow. Nor is it the most sober city in Great Britain, while labor troubles are frequent. The total balance due to depositors in the Glasgow Savings Bank at the present time is £12,566,127. The total funds of the Glasgow Savings Bank are £22,158,014. These figures are the highest in the history of the institution. The increase over last year is £479,502. This Savings Bank aims, primarily, at encouraging

the small depositor. Seventy-three per cent. of the balances in the ordinary department are under fifty pounds, while twenty-one per cent. do not exceed one pound.

Take another index. According to the figures of the United States National Trade Council the value of the raw materials, mostly for manufacturing purposes, exported by the United States of America to Great Britain increased from \$2,090,000,000 to \$2,530,000,000 between 1922 and 1924, and the figures are still increasing. This hardly looks as if we are becoming entirely a nation of middlemen.

And we have valuable assets.

We control many important raw materials and foodstuffs, for example, rubber, copra and cocoa. Some of our Colonies, particularly Nigeria, are capable of very great developments and possessed of immense riches. These African Colonies are peaceable and orderly, and we are encouraging the native farmers themselves to produce for export. We still make and export large quantities of one very good heavy motor-car and we sell abroad a great many light motor-cars. On British roads the best known of the American cheap cars is being rapidly ousted by one or two of the best known makes of British light cars. The bicycle trade is flourishing, and we are exporting immense numbers of bicycles. The linoleum manufacturers for the past year have had to ration their customers abroad and the demand still outstrips the supply. The tin plate trade is flourishing, as is the new industry of artificial silk-making which is going ahead by leaps and bounds and is doing something to relieve the depression in other branches of the textile industry. We are rapidly establishing an entirely new industry for the production of sugar from beet. As I write there is an acute shortage of pig iron in the Cleveland district. On December 28 last, Sir John Davies, the Chairman of Baldwins, Ltd., one of our principal engineering and steel smelting firms, presiding at the annual meeting of the Swansea Metal Exchange, said that “the depression in the iron and steel industry has touched bottom”. On the same day the Abercarn and Cwmcarn Collieries, belonging to the Ebbw Vale Company, re-opened and employed 2,000 men. This year, 1926, the railway companies of Britain are expending £60,000,000 in new works, extensions and

new plant, including important electrifications. The London Midland and Scottish Railway, alone, in this year, 1926, is placing orders for 15,000 goods wagons and 400 new locomotives costing £5,000,000. Where we are hard hit in addition to coal, mentioned above, and shipbuilding, is in the iron and steel industries and engineering. The usual remedy of protection for iron and steel was recently proposed and the application of the industry itself was referred to the Committee of Civil Research. Prime Minister Baldwin, on December 21 last, made the following statement:

The Civil Research Committee has given the subject prolonged and detailed consideration, and has heard a large number of witnesses, representing employers and employed engaged in the iron and steel industries and in allied trades. The evidence revealed a serious situation. The pressure of foreign competition, aided by long hours, low wages, and depreciated currencies, is being severely felt by our manufacturers, and had the Government been able to deal with the iron and steel industries in isolation we might have regarded the case for inquiry as complete. It became clear, however, in the course of our investigations, that the safeguarding of a basic industry of this magnitude would have repercussions of a far wider character which might be held to be in conflict with our declaration in regard to a general tariff. In all the circumstances of the present time we have come to the conclusion that the application cannot be granted.

This plainly gives the reason: "long hours, low wages and depreciated currencies" on the Continent of Europe are causing the injury. But this cannot last. We are competing successfully in contracts abroad against Continental firms; and in any case, are we to reduce the standard of living of our workpeople to that of our Continental competitors? The answer is, No! We have deliberately adopted the high wages, high organization policy of the United States, and we will win through on it.

With regard to our debt to America, used as one of the counts against us, as a reason for our coming decline, it must be remembered that we never expected the default of our European debtors on whose behalf much of the money is borrowed. Nevertheless France has promised to pay us twelve and a half million pounds a year to begin with, and the Italians have negotiated for the funding and payment of their debt in London.

The observations of those interested and the statistics them-

selves show that in Britain there is less crime, less drunkenness and more happiness generally among the people. The poorer class and the children are better clad than they ever have been, morals are better, and there is already a reaction setting in from the license of the War period, which shows that the spirit of the people is healthy. The physique of the younger generation shows a great improvement, especially that of the young men.

Nor do our arts of statecraft show a decline. We have got over the worst of our Irish troubles and have thus removed a grave canker from the body politic. Thanks to the wise grant of self-government, where it was due, our Empire has never been more firmly knit together nor more loyal to the throne. The same policy is being pursued in India. Our recent action in accepting a mandate for Mesopotamia from the League of Nations for a further twenty-five years has been criticized by many, including myself. But such an action is hardly the gesture of a decadent people. Rather, the criticism is that we are too optimistic of our strength or that we take on too great responsibilities, in the vigor of our revival.

It is true we are going through hard times and still have hard times to go through; but there are unmistakable signs of strength and real indications of a trade revival. The recent signature of the Locarno Pact will help, and, at any rate, it exposes us as the leading political power in Europe. It is to be hoped that a “boom” is not upon us. If we can go on with our slow recovery and improvement, all will be well, and we shall rally from this depression as we recovered from depressions following the Seven Years’ War, the war with our former American Colonies, and the Napoleonic Wars themselves.

The American people may rest assured that we shall meet our obligations, and will remain a great market for both their manufactured goods and their raw materials, as well as their sincere friends.

J. M. KENWORTHY.

London, 1926.

CONCERNING ENDOWMENTS

BY HANFORD HENDERSON

EVERY man, however original and independent he may think himself, is in reality the beneficiary of a tremendous endowment. He is the direct heir of that universal experience which we call Civilization. We are all of us the possessors of marvellous wealth. We have our wonderful bodies, the product of an evolutionary process stretching back so far that the most speculative among us hesitate to hazard any guess as to its duration. We have our still more wonderful intellects, creating a world much larger, much more intricate, much more subtle, than the vast world of visible Nature. Most beneficent of all, we have the spiritual life, with its conquest of space and time, and its irrepressible claim to immortality.

No one, not even the apostles of equality, would insist for one moment that this vast inheritance is the same for all, that the heirs of civilization are the recipients of like portions. We have only to compare bodies and minds and souls to realize how endlessly unequal are these human legacies. Even our individual share varies, and we are aware of periods of drought and plenty. We do not bring to the succeeding adventures of life the same body, the same mind, the same soul. These vary so amazingly that after some great emotional experience we rightly speak of a changed man, and of being born again.

In our ordinary moods, and in the midst of our daily pre-occupations, we are not greatly impressed by this tremendous gift of the past, for it represents our accustomed environment. We are prone to take it for granted and to offer no thanks. We seldom stop to think how good the gods have been to us. In spite of all our frailties, it is a marvellous thing just to be a man! But in taking so much for granted, we commonly take too much and assume a human average which does not exist, and apply a generalized standard which labels without really evaluating. There

seems objectively to be one world, but in effect there are as many worlds as there are people in it.

And then, in addition to this personal endowment, this legacy wrapped up in the organism itself, in body, mind and soul, there is a seemingly capricious external legacy which must never be forgotten, since it plays so important a part in human destiny. This outer aspect of civilization represents a skilful adaptation of the raw materials of Nature to human uses. It constitutes a universal contributory endowment which we too little take cognizance of,—the cleared field, the dwelling-house, the public building, the road, bridge, tunnel, the vehicles of transportation, the lines of communication, the stupendous mechanical equipment of industry, all the clever discoveries and inventions, all the lovely creations of art. This vast accumulated wealth is the product of a multitude of dead workers, driven some by want, some by ambition, some by curiosity, some by reverence, some fortunate ones by the sheer love of beauty. And we, the men of today, inherit collectively this immeasurable wealth. Part of our inheritance is personal, our individual share of houses and lands, and the multiform tools and achievements of civilized life. But the larger part is impersonal, the marvellous beauty and convenience of that outer world to which we, late comers among the toilers, have for the moment succeeded. And it is worth remarking that while a man, in thinking of his wealth, commonly has in mind his personal share in our colossal joint heritage, this is not necessarily or even generally the more important. A “poor” man, living in the rich environment of an active, intelligent community, may easily be much better off than a “rich” man out in the wilderness.

But all these possessions, like the organic legacies of bodies and minds and souls, represent only the given conditions, the inherited setting for the living drama of today. As a spectacle, they are impressive; as a potential opportunity, they are beyond price; and I would not willingly belittle either their magnificence or their importance. But they imply no merit on the part of the generation which today happens to possess them. Nor do they, in spite of their large convenience and beauty, carry any guarantee whatever that our contemporary drama will be admirable.

Right here is the crux of the whole matter. It deserves the closest scrutiny on the part of those who concern themselves with social problems, and with the large general questions of our human destiny. Broadly speaking, two points of view are possible. They are both understandable, but they are exclusive and contradict each other; consequently the social theories which grow out of them lead to opposite conclusions and programmes.

The first point of view denies, of course, what I have just said about the impotence of the world endowment to produce of itself an admirable succeeding world; and specifically asserts the contrary. It is a doctrine of necessity. Man is a puppet of fate, the product of the world endowment, the result of his environment. From this point of view, free will is an illusion, and man is logically quite devoid of responsibility. If he make himself too much of a social nuisance, he is imprisoned or hanged, just as wild beasts, when they become a menace, are summarily disposed of. But short of inconvenient extremes of misconduct, man must be looked upon in the same dispassionate natural history spirit that we feel when we watch the antics of animals, or study the growth of plants.

The major objection to this point of view is to be found in the large mass of contradictory evidence. It is too voluminous to be presented in full, but one or two pertinent facts may be indicated.

The rise and fall of nations, for example, is one of the enigmas of history; and it is particularly baffling that while their rise is so gradual, their decline is so rapid, and in so many cases follows close upon the highest wave of material civilization and power. The fortunate nations would seem to be the target for the gods of misfortune—a brilliant flowering and then disaster. Just now America is approaching the crest of the wave, exhibiting a prosperity and a material civilization never before equalled, and already some of her anxious lovers are beginning to ask whether this is but another prelude to another immense disaster. One looks back, and asks, Where is Assyria? Where is Egypt? Where is Greece? Where is Rome? Even in our own day, Where is the German Empire? Will it be asked, a moment hence, Where is America?

It has been the same with families and with individuals. The heavier the endowment of outer advantage, the more certain would seem to be their ultimate deterioration and loss of distinction. It can be seen in New England and also in the South. In the West there are signs of loss, and already on the Pacific Coast one can find, as in Florida, the less fortunate children of the fortunate. If events prove anything, they assuredly prove that growth and progress come from within, and that while they may be helped from without, they may all too easily be smothered.

The second point of view has already been indicated. It accepts most gratefully the tremendous endowment of the past, the highly organized body, the acute mind, the sensitive soul, all the wealth of structures, tools, equipment, our vast and expanding body of acquired knowledge, not as the source of further progress, but solely as substantial aid to contemporary achievement, if the will to achieve is there, and still bent upon the pursuit of perfection. But such a quest, endless in its very nature, involves genuine self-activity, genuine contemporary effort, and this is an entirely meaningless term unless we retain our old fashioned belief in the freedom of the will. If, like the animals and plants, we are the necessary and unavoidable product of our environment, if to our rich inheritance we add no power of volition, we are wholly incapable of self-activity, and are become automatons, tragic but hardly interesting.

I do not hide from myself that this doctrine of self-activity is not without difficulties. But the difficulties are at least no greater than those which dog the course of the first point of view, since both lead ultimately to the unknown, and are equally insoluble. If we were the puppets of fate, it would still be necessary to ask who plays the game and moves the puppets. One's reasonable choice depends, it seems to me, upon probabilities; and so far as I am able to read the evidence it all points in one direction. Inherited endowment, wearing the richest dress of outward civilization, has failed repeatedly, in races, families, individuals, to be the source of an enduring higher civilization; failed repeatedly to maintain even its own level; while human good will, bent upon mastery, has never failed to dominate outward circumstances and attain ultimate victory.

I state the issue between these contradictory points of view so sharply because so much depends upon one's choice. In all that follows, I assume the second view, which is whole-heartedly my own belief, that the human spirit is capable of this genuine self-activity and can control events, instead of being controlled by them,—“Gods are we,—if we will.”

Self-activity, from this point of view, is synonymous with life. For each one of us, the given data are unescapable, and to that limited extent we are all fatalists,—what we now are, we are; what we now possess, we possess. But this static endowment is not life, nor is it the source of life; it is only the contemporary opportunity offered to life. The succeeding drama depends wholly upon the way in which this static endowment is handled. That is to say, the drama depends upon something added from outside itself, upon a spiritual force residing in individual human beings. As Marcus Aurelius put the matter, “Remember that this which pulls the strings is the thing which is hidden within.” That this spiritual force is an admitted mystery both as to its source and its ultimate destiny does not, I think, invalidate the observed fact of its present operation. Even the dimensions of our human drama do not depend upon the magnitude of the endowment, but almost wholly upon the measure of self-activity which is brought to bear upon it. We have the familiar spectacle of strong men of good will accomplishing great things with the most meagre opportunity, even in the face of powerful opposition; while other men, given what seems to be a magnificent material endowment, make so little of it that eventually they altogether go under. The determining factor in all that happens is just this intangible, imponderable spiritual ingredient which men through their own eager self-activity add to the given data, to that vast endowment of ideas and things inherited from the past. Those who love their fellows and who regard the pursuit of perfection as the major and legitimate purpose in our puzzling earth-life, must bend every effort to conserve and heighten this priceless motive power in themselves and others; and must never under any allurement sacrifice it to the static, lifeless equipment of the outer world of either past or present. To state the case very concisely, the most important thing in every human enter-

prise is the spirit which gives it life and movement, which changes it from inert endowment into meritorious event.

All this is so little novel that it may properly be called obvious, but it may not on that account be impatiently dismissed. The importance of a fact does not depend upon its novelty, but upon its range, and we have here, I believe, a fact of the widest range. If we had the courage to apply it in every case, and to decline all exceptions, however plausible, the earthly pilgrimage would be a livelier and, I venture to think, a much happier and more engaging adventure. I am tempted to cite a number of instances where traditional thinking offers one interpretation and the principle of self-activity something quite different. Having touched upon natural endowments which we inherit willy-nilly, let us turn for a moment to those artificial endowments which well-meaning friends intentionally create.

The first illustration which comes to mind is in connection with the so-called "drives" undertaken by many institutions which fancy themselves in need of money. I was living, at the time, in a distinguished old town which greatly prided itself upon its culture. Among its many organized activities for the betterment of the world was an energetic association devoted to the welfare of young men. I sympathized keenly with many of its purposes. But in an evil moment (or so it seemed to me) the association decided upon a "drive", and for a rather surprisingly large sum of money. An elaborate campaign was inaugurated. Two gentlemen called at my house. They were entire strangers to me, and in their zeal did not so much solicit, as demand, a substantial contribution. If I remember rightly they had even spared me the trouble of determining its amount. I had to send them away empty-handed. Not only did I object to the insolent method of the "drive", but I found on inquiry that in spite of my large sympathy with the general purposes of the association, I disapproved *in toto* of the proposed use for the fund which they were trying in this singularly high-handed manner to raise. It was to be spent, I found, for buildings,—not buildings needed to carry on the excellent work of the association, but buildings which were to be rented out for revenue. They wished, in a word, to create a technical "endowment", an income-producing investment which

would provide permanently for the salaries of the paid secretaries and for other current expenses. They explained quite frankly that it was inconvenient and somewhat precarious to have the work depend upon annual contributions. Many persons—I am bound to believe them rather unreflective persons—assented to this view and gave handsomely. I declined, because I realized that such an endowment fund was not desirable. It would kill the genuine life and self-activity of the association and induce a very speedy dry rot. I knew that so long as the association supplied a real need of the community, it would be generously supported. When it ceased to supply such a need, it no longer deserved support. Given a sufficient endowment fund, it could continue to function after a fashion, quite regardless of whether it truly ministered or not. Had the fund been asked for needed equipment,—libraries, lecture halls, class-rooms, work-shops, gymnasiums,—I should have felt quite differently about it. But to pay an agent permanently in advance for a service not yet performed, regardless of whether it is well or ill performed, whether it is wanted or not wanted, is to offer large opportunity for abuse, and to deprive the community of wholesome coöperation and control. The enterprise becomes inert, the sport of dead souls, and quite divorced from the current, palpitating life of the community. An endowed institution may, for a time, render acceptable service, but the tendency is unmistakably towards inefficiency and disservice. As it draws its sustenance from the past, so it is likely to represent the past, to represent something once wanted but no longer wanted; instead of that fine contemporary reality which a genuine self-activity alone can yield.

The same argument which I have applied to the well known association in that dignified old residence town, I would unhesitatingly apply to all those institutions which aspire to serve the spiritual needs of their day and generation,—to churches, schools, colleges, universities, boy scout organizations, girl scout camp fires, to young men's and young women's societies of all denominations, to public libraries and museums. Adequate equipment means enlarged opportunity, but endowment too often means death.

The one exception would be in the case of specific research

work, yet even here there should be periodic and frequent inspection as to the chosen subjects of research, the organization of the work and the agents employed, with special inquiry into the efficiency of the efforts made to give all results suitable publicity and application. I need not recall the misuse of endowment funds in even our great universities,—courses given to suit the convenience and whimsies of old men in endowed chairs rather than to suit the obvious needs of the students themselves; professors paid six thousand a year or more to lecture to two or three young men on erudite subjects so nearly useless that they would better be left to private curiosity. The need for efficient, well equipped universities is always exigent; but the endowed institution gets out of touch with life, and accumulates, in spite of itself, a lot of dead timber in the way of men and methods and goals.

It is commonly believed that all education must be endowed, or it will not be able to carry on. I do not myself believe this; I believe the very contrary, that all education, to be vital, must be self supporting. If education is paid for by contemporary effort, it will more nearly approximate the genuine needs of current life, and will be supplied at somewhere near cost. An institution which cannot furnish what the community wants and at a price it can afford to pay, quite deserves to go under. I do not speak theoretically. I speak from a long experience in education. I have come to believe—I have not always believed it—that all schools of whatever grade should be what our commercial friends call “going concerns”, that they should in all cases pay their own way. The only endowment which they may properly and safely accept is the endowment of equipment,—land, building and apparatus,—and the small State favor of no taxation. I have found it possible to carry on very interesting educational work without even these subsidies. It has so chanced that my own field has been largely the experimental work of the pioneer, and that is notoriously expensive and precarious. To avoid three common pitfalls I formulated three guardian principles. The first was that there must be no trustees or directors; the second was that I must own the establishment myself, without debt or mortgage; and the third was that the school must be

conducted so simply that I could afford to run it even if I had no students! These simple provisions gave me an immense freedom.

The first experiment, a summer camp for boys, was started nearly thirty years ago, and is, I believe, the oldest camp in existence. They are now numbered by the thousand, and may be found in practically every State. My own camp began with a capital of three hundred dollars,—in those days a dollar went much further than it does now,—and an enrollment of fifteen boys. It clearly offered something that was wanted, for it has paid its own way from the very start and is still prosperous and popular. It had last summer an enrollment of one hundred and fifty boys. The fee was made small, as it was never the purpose to attract rich boys, but rather boys from the more thoughtful professional classes, or even desirable boys who would be accounted poor. It is true that many rich boys came, for their parents found there a simple, wholesome outdoor life which they could not easily inaugurate at their own more elaborate summer homes. But they were all treated alike, and no extra privileges were purchasable. I cannot too strongly emphasize the fact that while I believe all schools should be self-supporting, I also believe that it should be the unfaltering effort of the headmaster to make the fee just as low as possible.

After seventeen very happy summers, I turned the camp over to two younger masters, and shortly after that, started another experiment, a boys' open air college preparatory school on my little plantation at Samarcand. But before leaving the subject of the summer camp, I might mention for the encouragement of other pioneers, that after a few years, as the enrollment increased, the camp became a source of adequate income. From my own limited personal experience, and much wider observation, I should say that all sound enterprises can be made, by good management, to pay their own way, and that the field for legitimate charity is much narrower than we commonly imagine.

In the case of the open air school, the initial outlay was naturally larger, but even here amounted to only twenty-five thousand dollars for everything. The equipment was by choice, as well as necessity, extremely simple, and we allowed ourselves only three luxuries,—a Steinway grand piano, the last edition of the

Encyclopædia, and a seven-passenger high-powered car. In selecting these two experiments by way of illustration, I do not forget that they were very simple and unpretentious and not at all comparable to the huge educational establishments to which rich men give their money, and paid officials their time. But both experiments were significant. I find that the men and boys who took part in them still look back upon those early days as a unique and fortunate experience. And both camp and school became the starting points for later ventures now serving large numbers of American boys and girls.

Without subscribing too literally to Kant's famous dictum that such conduct is ethical which one would wish to see universal, it was keenly felt that as an educational experiment, neither camp nor school would fulfil its whole purpose unless it could be imitated and made the starting point for a further advance. This was an additional argument for making them self supporting. The school was, of course, somewhat slower in reaching entire self support. In my own mind, I gave it four years to make good. Thanks to the skill and devotion of an able colleague, and the generous help of the junior masters, the goal set for ourselves was honestly reached, and at the end of four years we planned not only to continue the school but to double its capacity. The War came, however, and brought it to an end by requiring service elsewhere.

Parents are not, as a rule, educational experts,—they are sometimes curiously ignorant about even elementary educational methods,—but they do want, with almost pathetic eagerness, the very best thing for their children, and they need only to be convinced. It is this feeling which has led me to insist all along that educational experiments, to be valid, must supply something which, after due exposition and trial, is genuinely wanted by conscientious, intelligent parents. And if genuinely wanted, such ventures will be supported. This seems to me reasonable ground, and I was the more ready to act upon it in the case of summer camp and open air school because in still earlier years I had been one of the pioneers in introducing manual training as a culture branch in non-technical schools, and I had been deeply touched by the eagerness of parents to have their boys profit by a

system of instruction which appealed, it is true, to their common sense, but which still had its spurs to win.

We may well accept the considerable endowment of the past in the way of land, playgrounds, school buildings, workshops and general equipment, and also the small contemporary favor of omitted taxation. But to make the schools vital, effective, intimate, progressive, they must be the immediate concern of those whose interests are most vividly involved, that is to say of the parents whose children are to attend the schools. Such a participation would be helpful to both parents and children. It would result in variety and in wholesome competition. We would escape the uniformity so earnestly and in my opinion so mistakenly desired by the National Educational Association when it advocates a Federal Bureau of Education with enlarged activities, and powers of standardization. In the place of this deadly sameness, this educational mill, we might so easily have a genuine self-determination, with its resulting vivacity, interest, experimentation and sincerity. The parents and children, instead of being passive material in the grip of the educational process,—the parents to pay taxes, and the children to acquiesce,—would be active agents, and through their own self-activity, their aroused spiritual participation in the educational venture, would gain an intellectual life, and an emotional and artistic delight which are not the necessary or even the common fruits of an alien administration. Education is an inner process, an unfolding and perfecting of the human spirit, and may only be realized through self-activity.

It is one of the curious anomalies in our spiritual make-up that the liberal and radical minds which fulminate most vigorously against our own control of the Philippines, and England's hand in India, and which cry out for political self-determination for everybody, everywhere, quite regardless of political development, would light-heartedly enter every American home, and prescribe under compulsion of law just what sort of education American parents shall give their own children. In Oregon they would go even further, and make all private schools impossible by the simple device of making the public school compulsory. But happily, the law was declared unconstitutional.

I much deplore the abandonment of our smaller, more intimate

district schools so near the real life of childhood, and the growing use of the motor bus to gather the children into large remote schoolhouses which have no educational merit easily discernible and offer a much smaller emotional appeal to the children themselves. Bigness may yield greater administrative convenience, but it does not guarantee excellence. The small school, near the homes of the children, may be made far more effective, and for the younger children, especially, far more convenient. In comparing the two, it is usual to offer the very modern school palace of today in contrast with the ancient district school of yesterday. The comparison is not fair. The same thought and money spent on the palace would create a series of model smaller schools where they were needed, saving the expense and waste time of transportation; and, more important still, saving the demoralizing effect of crowds. At the present moment, progressive business men are working for the decentralization of industry. Textile mills scatter themselves over the cotton fields; automobile making moves up the River Rouge; New York publishers send their copy out on Long Island, or up into New Hampshire, or over to New Jersey; manufacturing companies combine in order to scatter their industrial plants over a wide territory and so bring them near the consumer. Yet in spite of this significant experience, this growing tendency to take the work to the worker, instead of the worker to the work, educators continue to centralize education and to do it, curiously enough, in the name of progress.

In the case of colleges, universities and technical schools, the argument for self-support is even stronger than in the case of the lower schools, for the students are now of an age when they may properly and helpfully contribute toward their own support. At the present moment many of us who love education and have given a substantial part of our own lives to its furtherance, have regretfully come to the conclusion that too many boys and girls now go to college, too many who cannot offer the legitimate price of sound preparation and earnest purpose. Many of them go for purely frivolous reasons,—for the social distractions and sports; for the freedom which they gain in being away from home; for the chance to have a hand in class politics, dances, organiza-

tions; many from simple restlessness and *ennui*, because they do not know what else to do. Their presence in such large numbers distinctly lowers the standard of both scholarship and morals. It is easily possible to go to college to one's harm, gaining no substantial good, but cultivating a chronic indolence, and the fatal habit of depending upon outer excitements instead of inner resources. The great danger of college life is that it makes boys and girls selfish and self-indulgent. We give too much and ask too little. We concentrate their attention upon their own personal advantage, and during holidays and the long vacation, upon the doubtful adventure of having a gloriously good time; and to this end we absolve them from all home duties and responsibilities, from all money burdens, and too often from even the necessity of good manners. Pour the wealth of the world into the lap of youth, and youth is stifled and spoiled. A better gift is that "refined poverty" which our Japanese friends strive for in their exquisite tea ceremony. There is only one way of becoming educated, and that is to educate oneself. And this can only be done through self-activity and self-restraint. Emerson said truly that men are as lazy as they dare to be. When we do for boys and girls, or for men and women, what they can and ought to do for themselves, we strengthen this tendency and invite deterioration. And I may add, as a lover of perfection, that we can hardly expect youth to escape the ugly exercise of self-indulgence, when they see their own parents and their elderly friends so habitually self-indulgent.

I am not optimistic enough to believe that the abandonment of endowment funds, here advocated, and their expenditure for legitimate purposes, will take place in the near future, or even all at once in any future. But I do believe that it will come about gradually, for already there are signs of intelligent discontent with the fruits of our present system; and intelligent discontent is ever the precursor of reform. In all the forty-eight States men are beginning to ask why we have so many schools and colleges and universities, and so few educated men and women; and they are no longer disposed to put up with the old stereotyped defense that the system is all right but that human nature is at fault. The obvious problem is to make the system work, and no excuses

are valid. *Qui s'excuse, s'accuse*. Furthermore, many earnest and intelligent persons are coming to realize that the one approach to education is not alone through the self-activity of the intellect, but of the body, of the emotions, of the will, of the moral sense—that is to say, a self-activity of the whole person. When the inner life is thwarted or starved, no outward endowment, however splendid, can produce results. That ancient question is still pertinent, What shall it profit a man if he gain the whole world, and lose his own soul?

And now it may be asked, what disposition is recommended for our present large educational endowments, and for those prospective endowments which prospective millionaires, facing prospective death, may be moved to bestow? The answer is very simple. These gathered billions, no longer of any personal use to their gatherers, may all be spent to the utmost advantage instead of being hoarded. They may be made the occasion of life and achievement, instead of apathy and stagnation. There are at least four directions in which every penny of these billions could be beneficently spent, and more billions in addition. But as a necessary preface to their enumeration, let me first say that my own educational preference will always be for small local colleges, just as for small local schools, placed near the home, within easy walking or motoring distance, so that they may serve both youth and age, and enrich immensely our whole family life. At present the college tends to disintegrate this family life by creating unfortunate lines of cleavage, without offering adequate compensations. Boys and girls are sadly stunted in normal development when they are deprived of their natural share of family duties, responsibilities, joys and burdens. These home experiences are deeply educative; dormitory life, however perfect mechanically and impressive architecturally, can offer no valid substitute. Nor is there any reason whatever why the adult world, parents and even grandparents,—a world, by the way, which pays the bills,—should not share in the intellectual life of the college, and move with their children into the ever expanding kingdom of modern thought. The unsatisfied spiritual and intellectual hunger of the older generation is now a part of the pathos and aridity of our current, prosperous American life.

With this preamble it is very easy to name four directions in which all endowment funds, past and future, however large, may profitably be spent:

1.—In building small, provincial colleges in suitable towns and centres, and in improving local institutions already established. In many cases, the county seat would be the indicated site for such a provincial college. This wholesome scattering of undergraduate students would leave the universities free to pursue their own proper work in graduate departments and in research.

2.—In setting aside adequate funds for pure research work at the universities. Even here, if the donations of the year could be wisely spent to further the research most urgently needed, instead of being put out to interest, I believe that human welfare would be vastly advanced. When millions are dying of preventable disease, it seems a cruel prudence to spend only one-twentieth of our funds in trying to save them.

3.—In supplying model industrial plants,—unless already existing in the neighborhood,—where students who so desire may healthfully earn a part or all of their expenses. The possibilities here are very large. New industries may profitably be introduced, and in addition to serving the students themselves might set up better standards for the community. Perhaps the best results would come about if the local college and the local manufacturer could work together in making industry more attractive humanly as well as more efficient. Experiments along this line are already in progress in several parts of the country and give promise of success.

4.—Last, but not least, in the service of beauty, creating parks, roads, bridges, pools, gateways, landscapes, woodlands, in the outdoor world; and indoors making more adequate provision for the fine arts—music, drama, sculpture, painting.

In these four channels for immediate expenditure we have adequate outlet for the multitudinous securities now hidden away in our collegiate strong-box, and for as many additional billions as Time may bring to our store. It is a temptation to enlarge upon each one of these splendid possibilities, but that would take us quite too far afield.

The objection to the deadening effect of endowment funds is

not limited to the case of educational enterprises, but is tragically valid as a general principle in human life. Endowments kill initiative and healthy self-activity and make for spiritual stagnation. "Paddle your own canoe" is everywhere the sounder principle. A socialistic state which does too much for its citizens and decides too many issues for them, is a left-handed giver. Even our good nature is at fault when we too readily forgive offenders before they have repented their evil deeds and attempted restitution. This failure to realize true values, this debilitating softness, we even manifest, and perhaps most disastrously, in dealing with ourselves. We want things without paying for them, we have become spiritual bargain-hunters. We want scholarship without application; we want wealth without work; we want friendship before we have proved our fidelity; we want love before we have earned the right to it,—in a word, we want something for nothing. There are few among us who do not seek residence on that delectable thoroughfare which the vulgar call "Easy Street". We are after a special private endowment fund which will relieve us from the necessity for further effort. We tell ourselves that we would work with still greater assiduity and for more disinterested ends, but the endowment once gained, we seldom do. Yet the uses of leisure are many and beneficent. Our supported men and women have every opportunity in all the sciences, arts and humanities.

Every man who wishes his life to be dignified and well-ordered, and who has a sane regard for ways and means, realizes that sickness and old age are a part of the common hazard of life, and must be provided against. But this does not require either over-provision or premature provision. Life itself is a risky business, and there are many bridges to cross, but they need not be crossed until they are reached. To make life the high adventure it may so easily be, a man must gallantly take the risk. There are many "good" reasons for saving,—in fact to many persons the mere act of saving almost takes on the quality of a Christian virtue,—but the "real" reason is generally fear. Sometimes it is personal fear; sometimes fear for one's family. A man commonly tells himself that he saves in order to keep his family from want, but what he usually means is to keep them from effort. And that, as

I am here contending all along, is a grave disservice to an individual, a family, a school, a university, a church or a community.

In my own educational work, I have touched quite intimately the lives of many boys who were moderately poor, and many boys who were unavoidably rich. If reincarnation holds, and I am returned to earth, I pray to be born into a family of large talents and character, but of very moderate means. Looking out upon our American life, I have come to believe that one of the most curious and mischievous faults of a socially minded community is the almost incurable desire to do for other people what they ought to do for themselves and grow strong in the doing. The slogan of our early manual training crusade was this: *We learn by doing*. It is applicable to the whole of life.

I have come to regard endowment funds, both individual and institutional, not as the benefaction which they are commonly thought to be, but as a distinct menace to our better life. They seem to me the tribute which we pay to our indolence, our inertia, our fear—a blight which makes automatic what ought to be spontaneous; static, what ought to be dynamic; dead, what ought to be alive. If I might paraphrase the famous reply which Pinckney made to the agents of the French Revolution, “Millions for defense, but not one cent for tribute,” I should be tempted to proclaim, “Millions for equipment, but not one cent for endowment.” And I should mean by this, millions for present-day opportunity, but not one cent for present-day sluggishness.

HANFORD HENDERSON.

CADENZA

BY ANNE GOODWIN WINSLOW

A little longer in the sun
The way is spread. . . .

Such was the crimson spun
In Argos for the king
To walk upon;—
Should he not do what Priam in his stead
Had surely done?—
But all reluctant was his tread,
In fear
Of the high gods and of the lowly dead.

So let us reverence bring
And take the sandals from our feet,
By these red ways and sweet
To pass remembering. . . .

What of the hours
Whose slow defeat
Has shed
This glory here?
Should we not pause who come
Where the bright citadels of spring,
High summer's towers,—
All the green ramparts of the fallen year
Lie low as Ilium?