THE EXPANSION OF EUROPE II[1]

THE possibilities of investigation suggested by a survey of the process by which the world at large has become Europeanized, are neither so novel nor so interesting and important as those involved in a study of the reaction of its expansion upon the life and thought of Europe itself. For this reason the amount of space devoted to the reverse, or "homeward", movement of expansion must be proportionately greater.

No one, of course, would deny that the Crusades had a variety of effects upon the European countries participating in those feeble attempts at expansion in medieval times. But to affirm that the migration of the European and the diffusion of his civilization during the past five hundred years—the New Crusade whose field of action, instead of the narrow basin of the Mediterranean, has been the entire earth—have been productive of tremendous consequences for Europe, is an idea as yet so faintly apprehended that it requires demonstration at length before its tenability is likely to be granted. On the other hand, one will readily admit that what has happened to the European at home, as a result of what he has done abroad, is intrinsically more interesting than what has occurred to non-European lands and peoples in consequence of his activities among them. The changes, moreover, wrought in European conditions by the process of expansion overseas possess in themselves an importance transcending any that could attach to the effects of that process upon non-Europeans alone. And this is true precisely because it has been the European who has accomplished the mighty task of revolutionizing the world in accordance with his own ideas and institutions. Whether the ultimate effects of the expansion of Europe upon peoples not of European stock will prove to be more significant for the future of the human race as a whole than the course of reaction

[1] Continued from the POLITICAL SCIENCE QUARTERLY, vol. xxxiv, pp. 43–60.

on Europe itself has been, is quite another question. For the present, at least, Europe is the centre of attention.

Out of the New Worlds in the West and East the achievements of the European have brought forth a New Europe that has continued to speak the languages and cherish the traditions and customs of the former home, that has sought to be freer, richer, more tolerant, less tied to ancient prejudices, more open to progress, and that has served accordingly to influence Old Europe in every phase of its existence. New things have been found, new forms of society created, new kinds of industry devised, new fields of commerce opened up, new opportunities for financial operations discovered, new ideas and new departments of knowledge made manifest and new concepts of national and international welfare evolved, all of which could not fail profoundly to affect Europe itself. Ancient civilizations aroused and energized, primitive beliefs and practices cast into modern moulds by the impact of the European, have yielded to him in return many a treasure, material and mental, by which his life and thought have become vastly enriched and diversified. From all that expansion has evoked in spirit and attainment—the zest of enterprise, eagerness for adventure, fame, wealth, new scenes and new homes, new places on the earth where a greater comfort and happiness might be assured, the introduction of the unknown and an increased use of the known—from its contact, in a word, with new lands and new peoples in America, Asia, Africa and the isles of the sea, Europe has derived new impulses and new developments.[1]

Although the general thesis of "the reaction on European life and thought", as exemplifying the "homeward" movement of expansion, may be stated in this form, even greater precaution must be observed in handling it than when dealing with "the transit of European ideas and institutions" as illustrative of the "outward" movement. For, in a field of inquiry so much less worked, preconceived theories are all the more prone to stimulate an exuberant imagination that will conjure up assumptions and not a scientific consciousness that will strive to

[1] Alfred Rambaud, Histoire de la Civilisation Française (ed. 1911), I, p. 467.

ascertain the facts. The circumstance that something which has been discovered originated overseas and is admittedly of potential influence on Europe, constitutes of itself no valid reason for believing *a priori* that its operation has been especially powerful. To conjecture, also, that the effect, whatever its magnitude, has been immediate, rather than gradual and perhaps for a long time almost imperceptible, is likely to create a dangerous perversion of the truth.

Similar care is needful in exercising restraint upon an inclination to pursue a given stage of development too far. If any special feature of European life and thought can be shown to be the product of exotic influences, its history, in connection with the expansion of Europe, should be traced only to the point where those influences have accomplished their formative task. What may follow should be regarded as constituting part of the record of development of that particular feature itself and not of the operation of forces emanating from overseas. That the output of mines other than those of Europe, for instance, has had certain effects upon the finances of that continent may be taken for granted; but to indicate what these effects were does not imply any necessity for discussing the general history of European finance in modern times.

Still another preliminary aspect of the matter calls for consideration. In the broadest sense, of course, it is obvious that the entire process of expansion has been one of more or less continuous interaction between the European and the non-European, that what has been mutually given has been as mutually received after subjection to certain changes in a new environment. Convenience in treatment, however, suggests that, if the results of both the "outward" and the "homeward" movements be divided chronologically into two phases, with the close of the eighteenth century marking the line of division, the forces that reacted on Europe during the earlier period should be examined with two objects in mind. Of these, one is to find out how they helped to shape the characteristics of European civilization at the time and the extent, also, to which their respective contributions became integral parts of it. The other is to ascertain the degree in which such forces determined

the nature of what was communicated by Europe itself to other parts of the world during the later period. Thus, "the transit of European ideas and institutions" since the close of the eighteenth century, is a phenomenon to be explained in the light, both of that which is specifically European in origin and of that which has been imparted to Europe in consequence of the "homeward" movement during the earlier period. But, since this interpretation is implicit in the discussion of that movement as already presented, only the course of reaction proper will now be considered.

At the outset it should be borne in mind that, in order to ascertain the nature of the changes effected by the transplantation of non-European elements to their new environment in Europe, along with the resultant gain or loss to the nations concerned, each of the several aspects of the influence of expansion on European life and thought, which are successively to be discussed, must be examined from the standpoints of both contemporary evidence and later opinion. Assuming that this is done, an inquiry into the social phase of the process might begin with a study of the relation to manners and customs of things material brought from overseas. These would include: commodities known to Europe before the fifteenth century, but not much used on account of their scarcity and costliness; absolutely new objects of consumption; and products of Europe itself or of some other continent carried over to regions where they might flourish more abundantly and be rendered more serviceable in general and thence brought back to Europe. How they have conduced to the growth of comfort and luxury, affected sumptuary legislation, provided means of diversion or entertainment, tended to promote a sense of cosmopolitanism, or merely altered social habits and conventions in one way or another, is a theme that ramifies in many directions. Some of them are indicated by reference to such items as articles of dress, adornment and personal utility, as well as those suitable for the embellishment of buildings and grounds. Others are manifest in the changes caused by the introduction of exotic foodstuffs, beverages, narcotics and diseases. The extent, indeed, to which all importations of the sort from oversea areas

have become the very basis of physical existence itself in Europe, is a question of supreme concern.

In the foreground of the less material, but quite as important, phases of the social reaction stands the effect of European migration on the size, distribution and character of the population at home. Closely associated with this are the amount of readjustment in their relationships which individuals and classes have undergone and the extent to which conditions abroad have provided opportunites for careers of greater usefulness there or in the homeland. In the same category are the accentuation or diminution of social contrasts and conflicts, the application of methods of relief through the voluntary or forced departure of unfortunate or undesirable persons and the bearing of such measures on crime, vagrancy and other ills. Of great importance, also, is the control exercised by the mercantile classes over commodities coming from or destined for oversea regions in determining the rise of these classes to power over the clergy and nobility and the manner in which factors originally extraneous to Europe have contributed to the dominance of the bourgeoisie as a class in the modern world.

With regard to the effects of expansion on the character and conditions of industry in Europe, it is evident that the opening of new markets overseas for European goods and the importation thence of raw materials would form one phase of the subject. Another would be the manufacture of such raw materials in the homeland and the export thence of the finished articles. How far the demands for commodities produced or producible in Europe have been satisfied, is no less pertinent a query than that concerning the extent to which it has been necessary to manufacture the output of the fields and mines of non-European areas and to adopt the creations of non-European workmanship to meet economic requirements at home and abroad. The new forms of industry which have been introduced, therefore, as well as the old forms that have been modified, must be taken into account.

A further aspect of the matter is the consequences for Europe of the development of competitive industries by Europeans overseas. What, for example, has been the bearing of

agriculture in the lands to which Europeans have migrated on the tilling of the soil in the home countries? Since the farmers in the latter have not been able to levy constantly on new areas, it seems obvious that they have been compelled to specialize and that many an industrial activity has been diverted from the land to the factory. Doubtless, the soil of Europe, if properly cultivated, might, with some assistance from regions overseas, feed the population of the continent; but it could not clothe its hundreds of millions or supply them with oils and fats. In order to provide the needful amount of foodstuffs, accordingly, European agriculture has been forced to confine itself to the raising of particular kinds of products and to depend upon non-European lands, wholly or in great part, for textile, fibrous and oleaginous materials, to say nothing of fodder. Many of these commodities cannot be raised in Europe or produced there to economic advantage. Hence, the specialization of agriculture as a general European phenomenon might well be attributed to influences emanating from areas outside of Europe itself.

Quite as important an element in the study of the European industrial situation, as affected by oversea influences, is the economic rivalry that has arisen with Oriental lands. European manufactures have had to compete, first, with the products of the long established and elaborately organized handicrafts of the East and, later, with the output of its mills and factories supplied with European machinery and run by cheap native labor. This has had a double effect. It has forced the European manufacturer to learn from the Oriental artificer and to improve economically, if not artistically, on his models, in order to secure an opening in the East for what is turned out from European workshops. On the other hand, the tremendous unexploited resources of Asia in particular, its vast and increasing population and the characteristics that distinguish it, constitute sources of competition that must be reckoned with. The fact that its population is accustomed to a low rate of wages and a low cost of living and yet is possessed of a high degree of intelligence and technical knowledge, as well as of artistic skill fitness for long-sustained effort and keen

desire for gain, and is capable also of employing European machinery to excellent advantage, cannot be ignored. Added to the force of these circumstances is that of the economic principle which declares that raw materials ought to be manufactured on or near the spot where they are produced. Whether all such factors rising out of the expansion of Europe and reacting upon Europe itself have given, or are likely to give, an impulse there to greater efficiency along industrial lines, to the improvement of mechanical devices and methods of labor in general, must depend upon the ability of European inventive genius to overcome the imitative, as well as originative, capacity of the Oriental by superior achievement based on longer experience in the use of machinery and on greater knowledge of the manifold possibilities of its application.

While it may readily be granted that the products of lands and peoples overseas have served to widen the range of European manufactures and their employment in various arts and trades and, also, to call forth a higher degree of aptitude, skill and ingenuity on the part of European labor, these results in numerous cases have been dependent upon the possession at home of certain natural resources, such as coal and iron. This brings up the subject of the transcendent industrial changes that have taken place in Europe since the middle of the eighteenth century. The migration of Europeans who had opened up ocean highways to the uttermost parts of the earth has been followed by an industrial revolution in Europe, assuring the application on an enormous scale of resources long since available there but never used to the full extent of their potentiality. Forces provided by nature and susceptible of mechanical uses undreamed of by mankind for countless ages have been made serviceable to a marvelous degree. In a sense the world of today is entirely the outcome of the extraordinary transformation that has been wrought by human ingenuity in converting certain treasures above and below the surface of the earth into mighty engines of power and productivity, which have rendered the ordinary conditions of existence prevalent a century or so ago as remote from those of the present time as the millennia of Egyptian dynasties or even the first appearance

of the *homo sapiens* himself. Such, at least, might be the construction placed upon the views of writers who claim for the Industrial Revolution an accomplishment of changes in the circumstances of mankind more fundamental by far than any effected by a single great factor or movement in history.

But it is precisely at this point that the question arises: Was so radical a replacement of manual labor and more or less crude mechanical contrivances by the driving energy of steam and electricity communicated to frames of steel, something that sprang up quite spontaneously in one European country or in several and from causes wholly European in origin? No one, probably, would deny that what is called the Commercial Revolution had a certain amount of influence on what may well be regarded as supplying the turning-point from "modern" to "contemporaneous" history. The real crux of the matter is, how far and in what respects the Industrial Revolution was the consequence of forces originating beyond the bounds of Europe, set in motion there by Europeans and reacting upon Europe itself. Is there an essential, organic connection between it and such forces, as they were engendered during the period of expansion which preceded it? If so, in what does that relationship consist? This is a query that has not yet been answered in a systematic and convincing fashion. No appreciation, however, of the vital significance of the industrial phase of the reaction of expansion upon European life and thought seems possible without it.

Prone, therefore, as so many historical writers are, to stress the overwhelming significance of the Industrial Revolution, they have failed to perceive any origin for it other than the possession by European countries of coal and iron and the encouragement to the utilization of these resources for mechanical purposes given by agencies risen out of purely European circumstances. If in this connection they refer at all to the achievements of Europeans overseas during the three centuries that preceded, they are apt to group everything that happened under the general designation of the Commercial Revolution, but without attempting adequately to show what the relation between the two "revolutions" was; and whether, in fact, the

later was a direct outgrowth of the earlier movement. But a term like Commercial Revolution, used as a descriptive title for substantially all that was done by Europeans outside of Europe from the fifteenth century to the eighteenth, cannot fail to suggest error and confusion. Even if applied to the so-called "era of discovery" alone, the expression is at best vague and misleading. Among an immense variety of movements ranging through three centuries, to ascribe such comprehensiveness to a single species of action, whatever its ramifications, creates necessarily a false idea of its meaning. That there was *a* commercial revolution is unquestionable; but up to the nineteenth century it had to do far more with the potentialities arising out of changes in the highways of commerce than with commerce itself. In this sense a "revolution" may be said to have occurred. As such it was simply a part of the expansion of Europe.

In consequence of the broadening-out of exploration over sea and land into distant regions of the earth, which has followed in the wake of the caravel and carrack that fared over unknown waters to the discovery of America and of a route to Asia, quicker, safer and cheaper than any that had been used hitherto, both the highways and the character of European commerce have undergone a complete and radical transformation. A narrow local trade borne on rivers, through inland seas and along the coasts of the continent and its adjacent islands, or else carried on with difficulty along poor or indifferent roads, has been replaced by an oceanic commerce radiating into all parts of the world. For a traffic blocked by obstacles of transport there has been provided an oceanic highway flowing into all the bays and tidal rivers of Europe, an open road leading out, also, to new worlds westward and eastward. Rivers and inland seas of restricted navigability, a coastwise trade that never ventured far from shore, paths or tracks along which beasts of burden might bear slowly and at great expense commodities small in amount and proportionately large in value and a commerce subjected to disturbances bred of more or less incessant local warfare and other violations of public order and common right —these were impediments that an oceanic highway has served

to remove. It has furnished freedom, mobility and security of transit, a breadth and abundance of opportunity for development, which have been conducive in turn to the increase of European traffic on a huge scale and have enabled commerce in general not only to attain the advantages to which it is entitled as a legitimate branch of human activity, but to become a vitally potent factor in modern society. Through the enterprise of Europeans, a Sea of Darkness, along the edges of which they had once crept in childish terror, has become to them and to the rest of mankind a Sea of Light, over which flit the shadows of craft innumerable. Borne by these craft, imports and exports, converging upon or diverging from European centres of trade and ever increasing in amount and value, have revealed how actively and how constantly the agencies of commerce have served to bind in ties that knit ever closer to Europe and the Europeans the concerns of the world at large. Through the tremendous impulse thus given to world-wide navigation and all that it connotes in stirring the spirit of enterprise, Europeans have acquired the maritime experience which, in this respect at least, has enabled them to make the limits of their influence coincident with those of the world itself.

Another important feature of the transformation that has thus come about is the physical change in the centres of European commercial importance and the shift in location of the formative power wielded by trade over human affairs. From countries bordering the Mediterranean and the Baltic, which in medieval times enjoyed a practically absolute control of waterborne traffic, the dominance, vastly magnified, has passed westward to lands that face directly on the Atlantic or its immediate backwaters. The peoples of the western nations, whose mariners were the first to master the wide stretches of ocean, have become the masters of the world commerce that has been the outcome of its use. Theirs have been the great seaports from which, as so many outlets, migration, exploration, shipping and commodities have flowed in ever-expanding volume. And in recent years, when the peoples of central Europe have essayed to win a place in the commercial sun that shines on the remoter portions of earth, they, too, have sailed over the ocean highway

made available by their rivals of the west—in peace, if not in war!

But the opening of the oceans to European traffic must not be understood to mean that the changes which have been indicated as consequences of this act came abruptly. On the contrary, they appear to have been extraordinarily slow of accomplishment, despite the promise of immediate and far-reaching results inherent in the discovery of the New Worlds, West and East. A study of oceanic commerce up to the nineteenth century would show, in all probability, that, although relatively considerable, it was much smaller in amount than has been supposed. Whatever the influence of the course of expansion on Europe in other respects, along commercial lines, at least, it seems to have been of comparatively slight significance for several hundred years. It was not much before the nineteenth century that the ultimate effects of oversea trade became very distinctly perceptible. Indeed, it is only since the beginning of the age of steam navigation, at a time when European dependencies ranged well round the world, when new European nations had risen out of vast regions once tenanted by savage or barbarous peoples, when the ancient civilizations of the Orient had been rendered thoroughly accessible to European traffic and when almost every portion of the earth had been brought into a regularity of commercial intercourse, that the eventual consequences of the discovery which took place in the late fifteenth century have been made altogether apparent.

Incidental to these general phases of the matter, the effects of oceanic activities on Europe might be viewed from a variety of other angles. The seas of themselves have yielded of their abundance whale, cod, seal and other creatures that have constituted an important source of traffic. So long as it lasted, the negro slave trade, which was rendered possible on so great a scale by the facilities of ocean transit, became the basis of a correspondingly immense structure of labor, property and mercantile interest in Europe. The relation of sea-borne and world-wide traffic to the improvement of facilities for transportation and communication on land is another point to be considered. As vessels ever increasing in size and tonnage have

brought with them in vast quantity the products of non-European countries, docks and roadsteads have had to be altered to accommodate them. Roads, tracks and paths, also, over which beasts of burden once plodded their tedious way, have had to undergo radical improvement and to be supplemented by canals, railways and other means of supplying quicker and cheaper modes of transit and connection.

Still other features of the commercial reaction that might be examined are the growth of a mercantile marine and of commercial rivalry among nations, together with the origin and development of chartered companies and similar forms of corporate enterprise. The extent of the changes effected in the nature of the commodities carried to and from Europe and the bearing of this on European trade in general, and the extent to which products extraneous to Europe have stimulated the mercantile faculty for ascertaining the manner in which they might be exchanged to advantage and made thus to serve the needs of a profitable traffic, are further items of interest. So, also, are the possible alterations that have been made in methods of conducting business and in ideas of business relationships, accompanying the increase and diversification of goods on the market. The respects in which the theories and practices of monopoly, of protection and free trade, of mercantilism and neo-mercantilism have been affected by the expansion of Europe on its commercial side, are equally worthy of attention.

Another great transformation in European conditions is that which has been accomplished by the financial revolution resulting from access to mines of the precious metals in lands beyond the sea. Emerging slowly at first and operating for some time in hardly perceptible fashion, it has come to alter profoundly the entire structure of economic life on the continent of Europe. But, as in the case of its fellow in the commercial field, its antecedent relation to the Industrial Revolution stands in need of a much fuller investigation than has been accorded it thus far.

Because of the work of Europeans overseas, stores of silver and gold have been extracted from remote regions of the earth

and brought to Europe in quantities undreamed of by the alchemists and philosophers of old, who had long sought them through mystic research and magical stone. From the sixteenth century onward, treasure found in America, Africa and Australia has served not only to replenish, but to fill to overflowing, the coffers of a medieval Europe which had been depleted by the withdrawal from circulation of masses of the precious metals and their conversion into ecclesiastical vessels and vestments, by the hoarding of them in cellars of manor-houses and in the carefully hidden strong-boxes of money-lenders and by exportation to an Orient that was accustomed to sell much and buy little. How great the actual amount has been will never be determined with anything like absolute certainty; but whatever it may have been, the fact in itself has far less importance than the actual effects upon the monetary situation.

The consequences of the influx of the precious metals into Europe may be examined from numerous points of view. What had been largely a barter economy, for example, has been replaced by a money economy, upsetting completely the relations earlier existent between money and commodities. Instead of resting chiefly on the basis of an exchange of products of the soil and on an exchange of those brought forth by a narrowly local and restricted handicraft, the economic system of the continent has come to be founded upon actual money in silver and gold. It has come to rest, also, on an exchange of the most varied products fashioned by the skill of mankind everywhere on earth; and this exchange has been reckoned in terms of money. The financial revolution, moreover, has brought on tremendous fluctuations in the value of money and hence in prices, along with an inevitable disarrangement of the pecuniary standards of living.

It was the treasure derived from the exploitation of the mines of America which began the process of relieving the scarcity of money in Europe that had made manufactured articles high in price and had radically cheapened the cost of agricultural products. It served to lift the ban of accusation, so frequently leveled at goldsmiths and merchants, of having artificially low-

ered the prices of foodstuffs by secreting whatever precious metals were available. It helped to raise governments out of the severe straits that had been responsible for turning kings into counterfeiters and debasers of the coinage. It contributed, also, to the stimulation of credit, to the facilitation of exchange and to taking industry and commerce, as a whole, out of the bondage of infancy.

For a considerable period, however, after the mines of the New World had begun to pour their contents into Europe, prices in and around the chief centres of population, it would seem, tended to rise very materially, while the value of money in the country districts remained substantially without alteration. Then, about the middle of the seventeenth century, the increase in the amount of silver and gold appears to have been offset in a measure by the diffusion of commerce. Since that time the rise or fall in the value of the precious metals and the corresponding influence on prices, have been determined by the extent to which new sources of supply in other parts of the globe have been successively opened up and trade broadened out in proportion.

From the monetary relationship thus established between silver and gold in their bearing upon industry and commerce, numerous problems have arisen. This has been the case notably since about the middle of the nineteenth century, when the stock of gold and silver began to be enlarged enormously in comparison even with that which had been obtained during the previous three centuries. That the results of this increase are extremely difficult to trace, is merely an evidence of the complexity that characterizes economic development in recent times. When the additional supply has been chiefly in gold, the effect has been to create a distinction between the two metals, without, however, raising or lowering appreciably the value of silver. It has served to introduce changes into the currency of European countries that have the bimetallic system and has led to the adoption of the gold standard. It has also accelerated the flow of silver, accompanied in some measure by gold, from Europe to the Orient—an age-long phenomenon that is likely to pass away in proportion as the East feels more

and more the impact of the forces communicated by European industry and commerce in this era of mechanical invention. In the same connection, as railway systems have developed and freer trade relations have been set up, the course of distribution, instead of neglecting the backward areas in one country or another, as was formerly the case, has benefited them; and a greater equalization of prices has been assured, even if the latter have been raised in amount. Wages, too, have been increased more or less proportionately.

On the other hand, when the additional supply has been largely in silver, the consequence has been to lower the price of that metal in gold, even if prices of commodities in countries having a silver standard remained stationary. More than that, it has been conducive to the propounding of novel monetary theories, such as bimetallism, with the object of alleviating the commercial depression which, in countries where the gold standard prevailed, had followed the fall in prices. Such indications as these serve merely to illustrate how close a connection has been established in modern times between the outcome of the financial revolution on its monetary side and the economic development of Europe as a whole.

That revolution, moreover, has made possible the existence of mobile capital and, accordingly, of credit on a huge scale, suggestive of an almost limitless enlargement of industry and commerce alike in Europe and overseas. What this has meant for the development of mercantilism, old and new, for the accumulation of immense private fortunes to the advantage of the bourgeois class, for the relative benefit or detriment to the wage-earner; its bearing upon the relationship between wages and prices and the extent to which the two have tended to become more equitably adjusted; how far governments, accordingly, have been compelled to regulate wages and to fix prices—these are all so many additional questions raised by the financial reaction on Europe of European enterprise in other parts of the world.

As in the case of the commercial revolution, the advantages or disadvantages of the process have accrued mainly to the countries of western Europe that have engaged most actively in

the work of expansion. The power of the purse, wielded in medieval times by the lands of central Europe, has passed westward to those along the Atlantic seaboard. In consequence of their achievements overseas, it is they that have erected great stock exchanges and banks, that have received the strongest incentives to speculation, that have been afforded the most abundant opportunities for taxation. It is the nations of western Europe, also, that have been most enabled to spend vast sums for dynastic or national purposes, to equip huge armies and fleets, to construct magnificent buildings, to reward the genius of artists and with their enormous wealth to do in general many things that the limited means of the period before the age of expansion had not permitted. They have had, it is true, to bear the burdens of dependencies which yield more deficits than revenues; but what they have gained in other respects makes the loss quite endurable. Emulators they have had to the eastward, rivals on the sea and overseas, to which their spirit of progress has been communicated. The nations of western Europe that have been the pioneers remain, nevertheless, the chief financial possessors of whatever the earth that they have mastered brings forth.

[*To be concluded*]

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THE FEDERATION OF INDIA

IN India the war has greatly strengthened the demand for democracy and self-governing institutions. It has also made it increasingly difficult for enlightened Englishmen at home to justify the continuance of the old autocratic British régime in India while fighting autocracy in Germany. What has been called "the most momentous utterance in India's checkered history" was the statement made in the House of Commons on August 20, 1917, by Mr. Montagu, Secretary of State for India, when he defined as the new aim of British policy "the progressive realization of responsible government in India, as an integral part of the British Empire." The result of the new policy was the mission of Mr. Montagu to India for the purpose of conducting an inquiry into its political and constitutional problems and of preparing in cooperation with the Government of India a plan of reform that would give effect to the announcement of August 20. This plan, known as the Montagu-Chelmsford Report, was published in 1918.

Even before the war the situation in India was rapidly becoming impossible, and nothing but the war and the restraints which that struggle for a time imposed upon all, have made possible the continuation of the old régime down to the present. Even the Government of India called out for a new policy and, we are assured, hailed its promulgation with relief. Within ten years the Morley-Minto reforms, issued with the announcement that they were all that India need expect for a generation, have broken down. The Montagu-Chelmsford Report sees three cardinal defects in their working. Municipalities and district boards still rest under official control; there is no financial freedom for the provinces; and Indians, in spite of promises, are debarred from the higher administrative posts. These defects are real, but no one who studies the report and who understands the India of today will doubt that they touch only the hem of the subject. They would not in themselves cause the