

Some Essays

THE UNIVERSITY OF LIVERPOOL

THE LIVERPOOL SCHOOL
OF SOCIAL SCIENCES AND
ADMINISTRATION

TELEPHONE ROYAL 6022



19 ABERCROMBY SQUARE

LIVERPOOL 7

10th August, 1955

Dear Mr. & Mrs. Banks

I am very sorry that I have taken so long to return your essays. The reason is that I have been so busy since I returned to Liverpool that I have not known where to turn.

However, I return them to you as long as I can. As you will see I have made very few comments as there were few left for me to make. I most sincerely hope that you will not let slip the opportunity of pursuing such studies further and that we may meet again at a summer school in the far future.

With best wishes

Yours sincerely
G. A. Banks.

Education of the Middle Classes

P.T.O. { There are no figures showing to what extent the population of England was literate prior to the Education Act of 1876. We know that before the factory acts many of the children of the lower classes had no time for learning to read & write, for they were expected to earn their keep as soon as they could toddle. Little girls who went into the 'Big Houses' to learn domestic work were sometimes fortunate enough to receive some instruction in the 3Rs from their mistresses, but books were scarce & duties many, & the standard of education among the ladies themselves was usually not very high as may be seen from their age books, recipe books etc & it is probable that when a maid could sign her name, check her change when sent shopping & follow the main services in the Book of Common Prayer (or whatever prayer book was in use in the household) she was considered to have received all the education necessary to her station in life.

One assumes that much the same sort of teaching was acquired by the boys

of the lower classes. If they were fortunate enough to be apprenticed to a trade they had to learn enough of letters & figures to enable them to follow their calling, for instance, a carpenter must be able use his ell; and it seems likely that many boys learned to use the 3Rs & the tools of their trade simultaneously, often from a master who had learned in just the same way.

During the 19th Century, the middle classes, who were expanding rapidly in numbers & importance, began to desire something more than just the bare utilities of education for their sons. Up to this time even the professions had been taught to a large extent in much the same way as the trades. In newspapers of this period one can read advertisements for an apprentice to a surgeon, who states as recommendation to the job that he is (among other things) in

charge of a large workhouse; but now the professions began to form Associations, & the associations set standards, & candidates for entry into the professions were required to pass examinations before they were licensed to practice. So there were two reasons why the sons of the middle classes must now have a good general education & the result was a tremendous increase in school building: it is estimated that 3 times as many Public Schools were founded between 1840 & 1870 as were founded in the whole of the previous century, & the number of preparatory schools was correspondingly high.

Up to this time the education of the daughters of the middle class had usually been left to governesses, who were not infrequently poor relations who had to be supported, & who often had little qualification & no liking for the job: hence the low general standard of education

among women. By the middle of the 19th century there was a growing demand for education for girls comparable with that provided for their brothers & coupled with this came the demand that women should have the right of entry into the various professions which up to this time had been considered the sole preserves of men.

I feel that this desire for education arose from the needs of this 'New Rich' section of the middle class to learn how to live as distinct from how to make money. The fathers realised that there was no point in making their sons conform to their own pattern, & the daughters realised that to sit around trying to do justice to father's fortune was a poor occupation for an intelligent woman, but the women had a long & bitter struggle for parity of status in the educational field, a struggle which is scarcely over, even in 1955. I think it should be stressed that among women, the desire for

education was the outcome of a sincere wish for a fuller & more useful life, & had very little to do with power or prestige, in fact, the opposite was often the case, but for many years after education was accepted as ~~the~~ proper for both sexes, women of high academic attainments were ridiculed & called 'blue stockings'.

The 1876 Act was only the logical outcome of the more important 1870 Act.

The ~~1876~~ ¹⁸⁷⁰ Education Act evoked a new spirit among the middle classes. Some felt that if education was to be compulsory, & freely available to all sections of the population then their children must have something a little better than that provided for the children of their workmen. Others took the view that since they were helping to pay for this free education they should take advantage of it & get their money's worth, but it soon became evident that the children of the workers might prove to have brains superior to those of middle class children, & supersede them in competition for jobs.

It was also realised that the country needed all its brains from whatever source, & eventually in 1902 a new Education Act was brought in which provided for free places in secondary schools for a limited number of elementary school children. This Act worked well or badly according to the Local Authority, for instance in Lewes, County Town of Sussex there was no Girls County Secondary School until 1913, & none for boys until (?) 1928. Candidates for the Scholarships exam: were selected by the head teachers & if successful they had to attend school either at Brighton or Hekfield. As more schools were opened it became accepted that all elementary children would take the Scholarships exam when they reached the appropriate age groups, & altho' ^{free} places were limited, it soon became apparent that the scholarship pupils were generally superior to those who were accepted as fee-paying pupils on entrance exam only. This & other considerations resulted in the Butler act of 1944 which makes different types of secondary education freely available according to the capabilities of the pupils.

There is very little I have to add to what was said in the seminar. You might even consider the public schools of the 1944 Act.

Education & the Class Structure

In the 19th Century education increasingly came to be thought of as a mode of movement in ~~the~~ social status and a means of holding a position when this was obtained. The free enterprise system of the early years of the century already made for social mobility but education came to be regarded as a very great help. By the second half of the century the day of the selfmade industrialist who ignored education was ending. The methods in industry now demanded education for all who wanted to hold their own in the increasing competition and foreign competitors, whose executives were more highly trained, were fast catching up with English Industrialists.

Midway through the century the East India company started examinations for obtaining posts in their service and this example was followed ¹⁸⁷⁰ by the English civil service. Applicants began to be engaged on their merits and the examination system applied to most of the professions. It became apparent that, whether the industrialist wished his son to enter industry or the professions, the right kind of education became necessary, and if

the desire was to bridge the social gap, then manners and ways of speaking could only be obtained by education.

Public schools, therefore, increased in number and grammar schools were used by the lower middle classes, for there were an increasing number of "white collar" jobs to be had as the century moved on. Industry became more extended, calling for more clerical workers and there came into existence various other kinds of administrative departments that gave openings for clerical workers. The applicants for these posts were drawn mainly from the lower middle classes but, as the effects of the Education acts became apparent, and, in particular, the results of the Secondary Education acts of the early 20th century, the ranks of these clerical workers were swollen by the sons of the Artizan class for to this class as to others, a step up meant a step further away from insecurity.

Secondary education, it seems to me, was used mainly as a way of lifting

ones children from the lower strata of society. So much advantage has been taken of the "secondary school" rung of the ladder, that, were it not for the increasing number of jobs, there would have been such a redundancy in the "white collar" ranks as to make the effort not worth the while.

I think this trend of using education to lift oneself to a higher social level had other causes than snobbery, and the chief of these was the system of individual competition for security. The 1944 act, ~~through~~ through the increased opportunities it offered, might have increased the number of competitors except for the fact that it made opportunities other than by the grammar school by way of ^{sec.} technical education. The economic situation

changed greatly after the war. It became more necessary than ever for the country to produce manufactured goods and labour came to be in very great demand and

In 1953 there were 292 Secondary Technical schools
as compared with 3,423 Sec. Modern, 1,184 Sec.
Grammar, and 77 Bilateral, Multilateral and Comprehensive
Schools. Secondary Technical schools thus lag a

long way behind. The fact of the matter is that
many technical jobs are now filled by boys & girls from
Sec Grammar Schools. — see O. Bant's "Pam 5
& Prestige"

graduates who had secondary technical training were
much sought after as apprentices and firms
continued the education of these lads vocationally
with the aid of the L. C. A.

My general impression is that secondary
education, extending further than just the
grammar school variety, still tends to lift one
up the social ladder. This process is aided
by the fact that owing to the shortage of
labour and that ordinary work is of first
importance in a country's economy is now
understood by people generally (the workers
class is duly honoured), we find we could
almost say the job is lifting the workman
as it climbs by its own importance
instead of the man lifting himself up to
the job.

As in the case of your wife's essay I have few comments
to add. We still have a long way to go. Note that
the Public Schools play an important role still — in the
post 1944 era.

The English Middle Classes

Their rise in numbers and importance

The rise in numbers and importance of the English middle classes appears to date from the beginning of the Industrial Revolution, when, despite the dirt and squalor and misery in which great masses of people had to live, the population as a whole began to increase rapidly, & the numbers of those who were, or who thought themselves to be, middle class, expanded even more rapidly in proportion to the general increase, for reasons which are obvious if one considers the types of persons covered by the term middle class.

One thinks of the Industrial Revolution as the time when hundreds of thousands of individual craftsmen & women became factory 'hands', employed by similar craftsmen who happened to have either room to install the new machinery or savings sufficient to provide both machinery & room. The hands ceased to own any thing except their ability to work, while the owners often made immense fortunes, married their children or their grand-children into the nobility, & within two or three generations became the new landed gentry. The Reform Acts of 1832 to 1870 enabled them to obtain political power, & it would probably be true to say that Parliament has been controlled by the middle classes for the past hundred years.

Besides all the mill-owners, mine-owners, iron-founders, builders etc., who made fortunes during the 19th century, & the lawyers, doctors, accountants, & estate agents and other professional people to whom the growing population & increasing wealth of the nation meant more and bigger fees, there was an increasing body of minor officials, ^{and clerical workers} who certainly would not have described themselves as working class.

One assumes that even the original 'bobby' had to be able to take down notes: post office workers had to be able to read and write, & anyone who could do this 30 or 40 years before education became compulsory, AND did no dirty work into the bargain, was entitled to think himself a cut above working class: also, with the growth of population came the need for more public services, & a rapidly expanding local administration with its clerks & officials, all of whom considered themselves middle class in greater or less degree.

(1) The Education Act of 1870 made it compulsory for all children to attend school between the ages of five & ~~fourteen~~ ^{twelve} years, except in cases where parents could prove that they were providing adequate teaching at home. For more than forty years after this it was still possible for a child to take a test and obtain a Labour Certificate, permitting him or her to leave school & commence work at 12 years. Perhaps the most important effect of this 1870 Act was the creation of a pupils reached 12 years & up to 15 years.

(1) The Education Act of 1870 made it compulsory on all local authorities to provide public education. The Act of 1876 made it compulsory on all parents.

demand for Public Libraries, & cheap reading matter. Some of the publishing houses tried to satisfy this demand with cheap editions of the classics, others flooded the book-shops with 3^d novelettes, 2^d 'blood and thunders' & 1st 'Books for the Bairns' etc. The newspapers were reduced to $\frac{1}{2}$ & 1st each, & increased in size to accommodate enormous advertisements, & the middle classes were swollen by an influx of writers of varying styles & standards.

The first Act of Parliament embodying promises of Secondary Education for the masses came in 1902, but shortage of schools made it impossible to fully implement this Act for many years, especially in the more backward areas.

Nevertheless, for the past 30 years at least, it has been possible for a promising boy or girl to progress from elementary school to university, & ultimately to enter one of the professions. We are told that the Country needs more scientists, technicians, doctors, dentists, graduate teachers etc. The 1944 Education Act gave wider scope and greatly increased opportunities, while more recent Acts have increased both students' grants & parents' Tax relief. It seems plain that if our Government, which is itself of the middle classes, is prepared to do so much to enable suitable students from all classes to achieve professional status, then that ^{section} of the middle classes must indeed be very important to the country as a whole.

P.T.O.

* At first, 12 was the maximum age for staying at school: many pupils reached 10th standard & left at nine years.

This is an interesting essay but I think you would have made more of the "numbers" part if you had begun by discussing more fully what you understood by the "middle classes". Your meaning is fairly clear from the substance of the essay, but it would have helped had you begun by saying something about the relationship between types of occupation (manual, clerical, etc), means raised, and the importance of educational background.

The effects of the Registration
Provisions of the 1832 Reform Act
on the Party System.

Up to the time of the 1832 Reform Act there was no Party System as we know it today. The Tories were mainly members of the landed aristocracy, & the Whigs supported the interests of the wealthy manufacturers. Members of Parliament were elected in accordance with laws passed in the early 15th Century: there were no official lists of voters, & the laws appear to have been open to very wide interpretation: there were about 420,000 electors, who claimed their right to vote on many different grounds.

The 1832 Reform Act included provision for a register of electors. This was made necessary by the increase in the number of electors, who, up to this time, had to prove their right to vote, if required to do so, generally by production of their receipt for land-taxes. (on the counties - in boroughs - nothing)

During the next 30 years the population grew so rapidly that the franchise was increased by a further 400,000, making a total electorate of over a million, & electoral registers were essential for the proper conduct of elections.

The Tories were quick to see the importance of these lists of voters. They already had the Carlton Club as a centre, & under Peel's guidance they set to work

to organise local associations all over the Country. The Whigs soon followed their example.

The object of these associations was to get in touch & keep in touch with the electorate, & whenever possible the Parties tried to get the lists amended to suit the interests of this side or that.

The registers were compiled by the Overseers of the Poor & were often inaccurate. In some cases objections were raised to as many as a quarter or a fifth of the names on the lists, & these were deleted. Many of the new electors were too poor, too illiterate or not sufficiently interested to try to prove their rights.

The provision of the Act which gave votes to sq. Free-holders was especially open to abuse. A man owning land worth £1000 could divide it into £2 freeholds, & give 500 votes to the party of his choice.

Perhaps the ~~Local Associations~~ ^{Electoral Lists} with their information, inaccuracies & opportunities for abuse, were the first step towards the ^{highly organised} Party system. Once the Local Association had taken root, votes tended to be cast for the Party rather than for the Candidate: today the would-be M.P., unless he is bold enough to stand as an Independent, must be acceptable first to the Central Office of his Party, then to a Constituency Party before he can hope to become

was a Prospective Candidate, & Patronage & Privilege have lost much of their influence in Political life.

25.1.67.

COMMUNISM.

D. Barber.

First I asked myself, What is Communism?
I think it is a political creed by which, its founder believed, all the people of the world might eventually achieve a perfect, ~~or at least a good way~~ classless society.
~~of life.~~

Karl Marx, the founder of Communism, was a German Jew, whose family had embraced Christianity & become Protestant. He was a journalist until 1843 when the paper he worked on was banned by the Prussians. He went to France where he met Frederick Engels, son of a wealthy man who owned factories in Germany & England, & it was from Engels that Marx learned about the problems of labour & industry in England.

He came to London, & spent his time researching in the Library of the British Museum. We think of him as the founder of Communism, but he was by no means the first person to think, write, & even act on these lines. Sir Thomas More's 'Utopia' written over 300 years before Marx, was full of new thinking & revolutionary ideas about every aspect of human affairs. Much more recently we had Malthus who was worried about the population explosion, Ricardo, who had sound theories about rent & labour values, & Robert Owen who put his theories into practice in the Co-operative Movement, which spread & became a great force for good, not only in this country but all over the world, & indeed is still spreading.

These are just a few of the people, the threads of whose teachings were drawn together and embodied in the Communist Manifesto which Marx produced in 1848.

1848 was the year of revolution on the Continent, & Marx was actively involved both in France & Germany. In 1849 the Prussian Govt: sent him into exile, & he came to London where he spent the rest of his life.

He continued to work at the British Museum. It is said that 'Das Capital' was written there. His work was published in 1861. He believed that the perfect, i.e. the Communist state would be the inevitable outcome of the struggle between the bourgeoisie & the proletariat, but that, in the course of the struggle, the misery of the workers would be so great that they would be driven to revolt, - thus hurrying the process.

A great deal of his teaching was incorporated in the programmes of the various Socialist movements of his time, but there was never any serious threat of revolution in England because the essential reforms were already being effected. All through the 19th century we were getting Parliamentary reforms, Factory Acts, Education Acts etc., & by the time 'Das Capital' appeared the Trade Unions were getting under way. In fact 'Das Capital' proved to be quite wrong in its assumption that world revolution would start in England because ^{England} it was the only fully industrialised country. Events of this century

have shown that agrarian countries, suffering under the tyrannical rule of autocrats, are far more vulnerable to communist teaching.

The British Communist Party was formed in 1920. The post war boom was over, & there was a great deal of unemployment & unrest in the country, & the more left-wing members of the Labour Party were willing to try what they hoped would be a more dynamic approach to the problems of the day. To counter the British Communists, the Tories formed the 'Middle Class Union'; - the function of this organisation was 'to take charge between the defeat of the police & the arrival of the military'. This body soon died of ridicule, because, altho' it called itself 'Middle Class' it seemed willing to enrol anyone not actually in jail or the workhouse.

All through the 1920's the Communists tried by various methods to increase their membership & effectiveness. They helped in strikes & on hunger marches; they took position in Unions; they tried to infiltrate into the Labour Party & took office with the Fabians. They attended all sorts of meetings, often with prepared speeches which were only remotely related to the subject under discussion. But besides these who seem to have only nuisance value there has always been a sprinkling of professional people & intelligencia, who understand Marx's philosophy & sincerely believe that it will in time save mankind.

Between the wars there were some Communist
M.P.s in the House of Commons. At 1945 election
there were two members, at 1950 more.
(3 or four)

No record of achievement
Saklatvala's obit.

Philosophers have only interpreted the world
in various ways. The real task is to
change it. - This is an interesting idea.

The period from 1900 to 1914 was a time when there was a great deal of civil liberty, although a flaw in this pattern can be seen in the prosecutions in 1912, regarding the "Don't shoot!" leaflets. Terms of imprisonment were given to the offenders, even the printers, while it is noticeable that the attempt at interference with the Army and the threat of civil war by conservative party bigwigs went unpunished.

It was a time of civil liberty and great prosperity but with some alarming trends. There was the lowering of the standards of the press with the start of the "Popular Daily" which made a change for the worse in public communications.

It was a time of great prosperity, but real wages were down by 4% in 1906, compared with 1896, and by 1913 this was 10%. This was in spite of the country's exports rising very rapidly (~~from~~ doubled in 15 years) and always keeping ahead of rising imports and with increasing capital investment abroad making us a great creditor nation.

When we consider the good position of the country's Balance of Trade and Balance of Payment figures and the consequent high profits which were being made at this period, ~~it is immediately apparent~~ and then look at the loss in real wages, it is immediately apparent that the Trades Unions were in a very weak position. This had been brought about by the Lords' decision in the "Taff Vale" case. This "Taff Vale" decision had another effect. It made the Trades Unions resolve to turn to political action again and restore their weapon of the right to withhold their labour.

In the years preceding the 1906 General Election, Joseph Chamberlain did a tremendous amount of propaganda work among the Conservatives in the country and the result of this work was that the Conservative Party adopted "Tariff Reform". Chamberlain failed, however, to convert the rest of the electorate from Free Trade to protection and

and English settlers, and the echoes are ringing still. A step was also made towards local self government in India by the India Councils Bill.

At home, however, a good start was made in social legislation. In 1907 there was the Bill for medical inspection of school children and the beginning of school meals.

In 1908 the "Coal Mine Acts" resulting in the acceptance in principle of the eight hour day.

In 1908 the Old Age Pension Bill (non-contributory)

In 1909 the Trade Boards Acts to deal with sweated labour, particularly in women's industries.

In 1909 the start of Labour Exchanges and the beginning of Town Planning Acts and Council House building although no progress at all was made by this latter until ten years later.

Among this social legislation there is a very obvious gesture which acknowledges Labour pressure, now 50 or 60 seats. That Old Age Pension Act. It is very important.

Being non-contributory it is the first attempt at the redistribution of income by way of taxation.

The Taff Vale decision was also reversed and this paved the way for a good many grievances among workers to come into the open and so there was much industrial unrest. However, quite apart from the traditional *Laissez Faire* attitude of the Liberals to industry, the Government had plenty to do. The Lords thought it was time to make a stand against all this social legislation and they began to throw out the Finance Bills.

It has to be remembered that a great many Liberal M.P.s were not too keen on this legislation either and there can't be much doubt that they had hopes that the hostility of the Lords would prove an excuse for postponing things: but, whatever they thought, their own radicals, plus the Labour and the Irish (who, knowing Home Rule

would never pass the Lords, were extremely keen on abolishing that House altogether), all these members represented a very strong fraction of public opinion in favour of doing something more or less unpleasant to the House of Lords because it was considered ~~a~~ hereditary stumbling block to progress.

Two general elections were the cost of the "Anti-Lords" campaign, close together, they seem to me as one with this poster and jingle (The Peers they live etc)

This was a time of very bitter feelings. After these two elections the Liberal only had as many seats as the Conservatives and were only able to keep in office with the aid of the Labour or the Irish members of parliament both of these groups having been successful in maintaining their strength.

This was a particularly trying time for Labour. The Taff Vale ruling had been reversed but the Lords had dealt the working people another smacking blow by the "Osborne Judgement", which made it illegal to use union funds for political purposes. Somehow the unions managed to raise subscriptions to pay their members of Parliament and Labour had to vote with the Liberals and Irish until the Osborne Judgement was reversed in 1913. The Government softened this waiting by bringing forward the payment of M.P.s at £400 per year. The Government also got the National Insurance ^{bill} act of 1911 passed, (a contributory one) but this was the end of progressive legislation in the social field. From then onwards until 1914 the Government was kept busy with by attending to the Suffragette movement, the Home Rule movement and the threat of Civil war over Ulster.

The Trades Unions turned back to industrial action and, during these years, won back the purchasing power

of wages to where it had stood in 1906. The leaflet I have read gives an indication of how hard was the struggle but to go into details of the various strikes and lock-outs would take too much time and be boring.

With the coming of the war in 1914, which many people had hoped would be avoided by International Socialist action, the working people in each of the belligerent countries demonstrated that they were of a National Species first, and of an International class organization second. The International Socialist Bureaux made attempts to stop hostilities right up to August 1st without success, and, with the assassination of Jaurès in Paris on August 2nd, hopes of peace through action by workers of each country faded.

there were a good many reasons why it was unlikely they would be converted. With real wages falling they did not want dearer food: and there was no hope of fighting the fall in the value of wages while the "Taff Vale" decision kept the unions disarmed.

There are, no doubt, various other reasons why the Liberal Party gained such a landslide victory in 1906 but there is no doubt at all that the thought of dearer food, and of being powerless to do anything about it, had a great deal to do with the dispelling of any apathy there may have been in the ranks of organized labour or among the working population generally. (Jingle)

Moreover, the radical wing of the Liberal party, organized labour, and all the Socialist bodies, had learned a great deal from the teachings of the Fabian Society. This body of people, besides dealing in research and cold hard facts, had set themselves the task, in the words of one of them "of rescuing socialism from the 'barricades'".

Of rescuing Socialism from the heterodoxy of anti clericalism.
Of rescuing Socialism from "Middle class Bohemian Anarchism".
"In short, we wanted to make Socialism into a sensible, constitutional movement, into which anyone from any section of the community, could comfortably enlist." I think the factors I have mentioned above, plus the teachings of the Fabians on how to set about winning confidence and so converts, played a part in the terrific victory which enabled the Liberal Party to form a Government.

Abroad, this Liberal Government settled the South African business very liberally. It is worth drawing attention to the fact that the Liberals who, in opposition had raised a terrific outcry about Chinese labour being imported into South Africa, now cheerfully handed the millions of coloured people in that country to the mercy of Dutch

"Industrial Relations" October 10 1973

Name	address	Telephone No (if one)
David Elliott	Physics Dep U.S.	60755 Ex 552

Thank you for the gift; and for the kind words which have accompanied the presentation. Dorothy and I have reached the time in our lives when ~~it can be said~~ we can be judged to have had considerable experience of the retirement of people from various organizations: retirements which have called for meetings such as this. Believe me when I tell you that tonight's meeting gives me more cause for reflection than the others: and that is ~~for the obvious reason~~ because the Labour movement has influenced our lives to a large extent, ^{when young} giving us ideals to ~~aim~~ reach for, and directing our attention to various teachings ^{of} the correct way to make those ideals realistic. One might say the Labour Party was the prime mover in any thought we had of progress, in the accepted sense of that word. So the writings, and the occasional meetings we had with some of the early Fabians showed us how these ideals could be made practical. As one writer (^{before} not a Fabian) put it. "It is due to virtue that the ends you aim at are right: and it is due to prudence that the means you employ to reach those ends are right". I believe that attention to that quote will give the true idea of how Permanent reforms are carried out: and it is the principle which has had a lot to do with how the Labour Party has directed changes during this century, causing the minimum of upsets and creating situations whereby the most hardened of our opponents have

compelled to carry through reforms, when they were in power, which they had previously opposed.

You will notice that I use the plural "we" when speaking of the Labour Party and ~~is~~ the Council

So the writings, the meetings, the lectures and the schools we attended, where, we listened to some of the leading early Fabians, showed us how these ideals could be made practical. As one writer put it (before Fabian times)
"It is due to virtue that the ends you aim at are right.

It is due to prudence that the means you employ to reach those ends are right

I believe that contains the true idea of how permanent changes or reforms are made.

It will be noticed that I use the word "we" a good deal because I + I have mostly worked as a team. I want now to focus attention ~~of~~ on the support he has given me at L.P. work and the more general matters a Mayor deals with

U
Turkish territory was very much reduced, in Europe, as a result of the Balkan wars and Turkey was on the losing side in the Great War. Thus by 1918 Syria Palestine and Mesopotamia were lost in Asia and the Allies were in control of Constantinople and the Dardanelles. In Turkey proper (Anatolia) the Turks were still in complete control and after their campaigns extremely nationalistic. They had been well led during the war by Mustafa Kemal who was a brilliant soldier, and now, after the losses in territory they had suffered they were extremely patriotic and touchy and their hatred of the Christian races was much in evidence.

At the peacemaking in Paris was the Greek statesman Venizelos. He had climbed to the top under difficulties for he had favoured the Allied cause while the Greek court and Government were pro-German. However he went to Salonika and formed a pro-Allied government and when the Greek rulers were expelled towards the end of the war, he was able to join in the final drive against Bulgaria on the side of the Allies. Hence his presence at the peace conference in Paris.

It seemed to be the aim of the Allied statesmen at the peace conference that in dealing with reconstruction, when colour or speech made it at all possible, to add land in these Balkan areas to Greece. This was fairly straightforward on the European side of the Straits but in Asia minor a problem arose for this could be considered Turkey proper but with a million or so Greeks living along the western coast. In view of the Turkish temper at this

time Venizelos considered that these Greek nationals would be in danger and he obtained the consent of the allies to land a Greek army in Anatolia. This was too much for the Turks in their present frame of mind and a new representative assembly met at Siva and agreed to fight under Mustapha Kemal until their land was cleared of all Greeks.

In the resultant war things did not go well for the Greeks. The young King Alexander died and there was a plebiscite which returned to power the old pro German faction. The Allied support was withdrawn and the ~~Turks~~ Greeks were defeated and turned out of Anatolia.

Fisher points out that both these countries made rapid improvements after this war. Greece benefitted from the return of her many industrious citizens who had lived in Anatolia and as a republic began to be richer and stronger. Turkey set to work as a republic under the leadership of Mustapha Kemal. The two new republics made wise exchanges of population and proceeded on a more friendly basis.

Meanwhile, in England the Lloyd George coalition government, which had supported the Greeks, fell from office and with this removal of the pro Greek attitude to the war from the allies there was nothing to stop the Turks. A truce was signed between the local English commander and Kemal as the Turks reached the British lines.

The treaty of Lausanne set the seal upon the Turkish victory and the last vestiges of the old conditions were swept away. These had included giving special privileges to the Western merchants etc. The Turk was

now master in his own house and, internally, great changes were made. Women were compelled to abandon the veil and polygamy was abolished. The schools were laicized and the Moslem faith was no longer to be the official religion. Western codes of law were established. Nothing was too big or too small to be examined again in the light of the country's new status and to be altered if this was found to be necessary. Turkey was thus transformed from a well beaten country into one with quite a reputation for good government and progressive ideas. During all the twenties Kemal had many setbacks but he managed to overcome all obstacles. He has said "I will lead my people along the road until their feet are sure and they know the way. Then they may choose for themselves and rule themselves and my work will be done".

1. By 1914, Turkey had lost virtually all her possessions in the Balkans, and Greece, Bulgaria, Roumania, Yugoslavia and Albania emerged in 1918 as independent sovereign states. All except Greece are now under one or other form of Communism, and the area, collectively, still has the lowest standard of living in Europe.
2. In the Middle East, also, new states arose on the ruins of the Ottoman Empire. Of these, Iraq, Transjordan and Palestine were mandated to Britain, Syria and Lebanon to France. Egypt remained under British military occupation, while Saudi Arabia, politically independent, was fringed with British colonial or protected territories, from Aden to the Persian Gulf.
3. The Ottoman Empire collapsed in 1918. ~~One~~ Part of its legacy is the State of Israel, providing one of the most intransigent international problems in the world, and Cyprus, where the historical antagonism between Greek and Turk have produced a situation which may become equally insoluble and, however long it stays quiescent, equally dangerous to world peace.

The Communist Party of Great Britain was started in 1920. The post-war boom was over and unemployment was mounting. There was disillusionment among the workers and, in particular, the ex-service men; ~~and~~ ^{altogether} this period provided the ideal atmosphere to foster a movement such as the Communist Party, and into the party was recruited people from various organizations of the left of which the "Socialist Labour Party" are a good example. The members of this small body were picked men, skilled in industrial conflict, fanatical and energetic. The communist party was ^{also} made up of people who were bitterly disappointed at the failure of the L. George Coalition government to even try use the opportunity of the "after-war" feeling to carry through reconstruction. Altogether the various odd bodies of

socialists and workers, ^{who make up the C.P.} generally, totalled about 10,000. The C.P. began to help in strikes but as the slump of the latter end of 1920 and 1921 developed unemployment rose to 1,500,000 (of those who were registered) and strikes began to take on the character of fierce but unavailing struggles to stop wages being reduced.

The C.P. were now beginning to gather in the unemployed ex-service men. (Puplarenism in 1922) ^{It was} ~~the~~ ^{Page 563} a time of great unrest. The Sinn Fein movement in Ireland, strikes and hunger marches in England. There marches, as unemployment rose, naturally began to gather increasing sympathy, and the extravagant methods of the police, such as raiding the offices of the C.P. among other organizations came to an end.

The Communist party meanwhile continued its traditional method of "industrial unrest". It failed to recruit more members, was unsuccessful in forming new "Red" unions and set to work on the "Infiltration of workers movement method". This was an effort to form "nuclei" or cells in each working class body.

In all these approaches the party's success was very limited. The Labour Party reaffirmed the exclusion of the Communist Party. By 1923 the Communist Party was losing members and Communist literature began to lose circulation. Particular objection was taken to the "Nuclei" method and organizations began to watch carefully the C.P. activities. In 1923-4 the Labour party took office, having 192 seats against Liberal 157 and Conservatives 258. It held office for 9 months and then came to the country on the "Campbell Case." A Treaty with USSR was being negotiated at this period and with the election campaign in full blast the Daily Mail published the Zexover letter which purported to come from Purvis and give instructions to the English Com Party on how the "cells or nuclei" were to work in each industry for revolution.

Although this letter was almost certainly a forgery and has been news again even quite recently, nevertheless through "Nuclei" was how the British Com Party was working. By there ~~was~~^{was} a wall was built up between the Communist Party and the working class organizations.

The next period when the C Party comes into public eye was in the 1930s. The depressed areas were in very poor shape and hunger marches took place again. The Communist Party grew stronger. But despite the ceaseless activity of its members the party never grew really stronger except in some depressed areas where there was a feeling of hopelessness. After 1931 the international situation helped in getting members and infiltrating because of the campaigns for a "popular" front and a "united" front against fascism. However, although the British Communist party failed to gain favour there was plenty of sympathy for the USSR among working class organizations.

Although there was some working class support and quite an amount of support from "Left Book Club" and "Penguin" publications and from quite a big percentage of the "Intelligencia" in England, the antics of the British C.P. attitude to the war in 1939-45 soon brought disillusion. From the position that it was necessary to wage war against ^{the} Nazi regime, the C.P. changed over night to calling the war an Imperialist War, waged by Britain & France against Germany, when Russia signed a pact of non aggression with Germany. They even declared it a war of aggression by Britain against the Nazis. This attitude was continued up till June 1941 when Germany invaded Russia. Immediately the British C.P. was converted back to its support of war against Germany and made efforts to win back support which it had forfeited in 1939. They soon started noisy demands for a "second front" which recovered for them an influence far beyond their number but politically they made no advance whatever for the Labour Party rejected the Communist Party even after the latter had come round to being in favour of the war. In the 1945 election the communists had two seats and after 1950, no seats in parliament. In 1956 the Russian method of dealing with the Hungarians rising caused a further slump in membership by way of resignations.

The Communist Manifesto

This was drafted by Marx & Engels at a time when it was assumed that because the ordinary people ~~to~~ were not enfranchised, they would not be able to better their lot except by the war between classes. The situation that all voting power would be in the hands of a small ruling class was taken for granted.

We have seen how the exchange rate, under the Gold Standard, was regarded as something absolutely fixed. How the three leading countries, Britain, United States and France in that order left the gold standard, and how it came to be accepted that a more flexible method was needed. While this was taking place we can observe, and some of us may remember, the bottom dropping out of the market, causing shocking poverty in the primary producing countries and also widespread unemployment in the manufacturing nations.

In the changes to something more flexible the most important were among the major currencies England America and France. At the end of these devaluations the price relationship between these three countries was much the same as it had been. These currencies had been devalued in terms of gold so that the price of gold was relatively higher than before. Later on both the pound and the franc were devalued in relation to the dollar.

While these adjustments were taking place less important currencies tended to become attached to one or the other of the "Big Three" and to follow their fluctuations and ^{thus} ~~so~~ there developed the Currency Blocs. The first of these to emerge was the Sterling Area, made up of countries who were attached to Britain through various commercial & political ties. Generally most of their currency reserves were in London. They were mainly primary producing countries and Britain was their main market. The other two Blocs were the Dollar bloc: countries who fixed their exchange rate to the dollar when America left the Gold Standard in 1933. As with the Sterling bloc and Britain, these dollar bloc countries were primary producing countries with financial and commercial interests with the U.S. The other group, the Gold bloc, consisted of the few countries

which followed France and hung on to the gold standard until 1936, when as I said above France left the gold standard, and the pound and the franc were devalued in relation to the Dollar.

Lay points out that although the thirties was the period when use was made of the flexibility of exchange rates, full use was not made of it. This was because, for some periods, use was made of exchange equalization accounts.

Exchange equalization accounts were official funds of the major trading countries which came at that time to replace the central banks as the official agency for buying and selling foreign currencies.

A fully flexible exchange rate would react to every change in supply and demand on foreign currency and the exchange equalization accounts were designed to arrest speculative or seasonal pressures.

Although then, there has not yet been a fully flexible world wide system of exchange rates, the thirties was a period when there was a strong tendency in that direction. It has also been suggested, more recently, that such a system would be desirable and, in those circumstances, we should look at a fully flexible system to see how it would operate. He starts off by giving examples of two advantages.

Under it, ^{flexibility} as in gold, adjustment depends, to a large extent, on the free play of market forces. But the flexible system avoids the disadvantage of the Gold Standard system whose exchange rates are fixed. For an example of this, two countries price levels are altered by the internal price levels of either.

some circumstance, a change of taste may cause the internal price level to fall through unemployment and a balance of trade deficit while the other country has full employment and high price levels (inflation)

Now, with a flexible exchange rate system there is no need for a period of unemployment in one country or a period of inflation in the other. If your country finds there is a decline in the demand for its goods, its internal balance can be restored by expansion at home via the multiplier, and the external balance by adjustment (devaluation) of exchange rates.

By this means the home countries goods are made cheaper abroad and foreign goods become dearer at home. There is an improvement in the home countries Balance of Payments provided the elasticity of demand of the two countries is high enough, and, as the author points out, the characteristic of this process is that the internal situation of a country is isolated from the external one, whereas with the gold standard, the internal situation is subordinate to the external one

He gives the example of 1931 and draws our attention to the fact that waiting for the adjustment to work its way out under the gold standard would have caused intolerable unemployment even for those days and anyway, the world never does reach complete equilibrium. There are constant adjustments to be made.

However, there are limits to what a flexible exchange rate system can do in the way of isolating the internal from the external changes. If expansionary measures are taken one of its effects will be to cause a deterioration in the balance of payments and when the exchange ~~and~~ ^{rate} makes an improvement in the balance of payments there

will be the expansionary multiplier effects at home
an authority has to take care ^{not} to pay attention to the
interactions, with the added tendency for a higher
interest rate and tighter credit which is associated
with a balance of payment deficit

Disadvantages of the flexible exchange rate system.
It could be de-stabilizing. Thus, If there are expectations
that further devaluation might take place people
might A. Decide that the currency is not a good one, or
B. The countries goods may become cheaper yet. & c. If
money is owed to abroad a run on the money could be
disastrous. Furthermore, uncertainty as to what the
exchange rates might be in a short time is introduced
into international trade. Moreover, by means of depreciation
a country could switch world demand to its goods at
the expense of other countries. This has been called the
"Beggars my neighbour policy". Continuous exchange depreciation
may excuse a government from taking steps to combat
internal inflation. Day says this argument could be ~~used~~
relevant to contemporary British conditions

According to the author, in practice, the disadvantages
of a flexible exchange rate have generally be regarded
as outweighing the advantages; but he insists that it
is hard to deny the advantage that external adjustment
can be obtained with less internal disturbance than with
a fixed exchange rate. Awareness of this, together with
the disadvantages, greatly influenced the deliberations
at the end of the war on how to set up

the post-war monetary arrangements which led to the setting up of the International Monetary Fund.

1. Exchange rates fixed under a rigid gold standard clearly have the advantage of greater stability than under any other system. The price paid for stability, however, is that an adverse balance of payments has to be met by internal deflation, with heavy and often prolonged unemployment. This was even greater, in the 1920s, because surplus countries which should, under the 'rules', have inflated with their rising gold reserves, refused to do so, thus increasing the deflationary burden on the deficit countries.

2. Completely flexible exchange rates, on the other hand, have the disadvantages you mention - that a decline in the value of a currency due to an adverse balance of payments may well be accentuated by speculation, unfavourable swings in 'leads and lags', etc., and that it is disadvantageous to international traders not to know in advance the values of the currencies in which they are trading.

3. Hence the international adoption, by the late thirties, of stabilising policies based on exchange equalisation accounts, and the formation of three main currency blocs based on sterling, the dollar and gold. This lasted until the outbreak of War, helped by the revival of internal economies and international trade. It is not certain how it would have stood up to a renewed depression, which was clearly developing in 1938, though cut short by the outbreak of War. Hence the agreement on new arrangements when the International Monetary Fund was set up in 1944.

What first strikes us as we notice the changes around us is the fact that things are, materially, much improved. And yet we are continually told we must not spend money, that is to say we must not make use of the material improvements even when we have the money to purchase them. This situation has arisen because of inflation. A few decades ago the spectre of mass unemployment was the chief bogey. The Labour Government made this spectre disappear with its full employment policy based on the Keynes philosophy. But the bogey has been succeeded by another. Inflation. Now, how to ~~maintain~~ maintain (when you have full employment) steady economic advance and at the same time keep prices reasonable? It means that the capitalist system is having to take a fresh look at its arrangements.

Capitalism rests on the proposition that men should be allowed to bargain freely & that production, wages & prices are best determined by unrestrained market forces. This capitalist model society however, functions effectively only when there is a large pool of unemployed. And since the Labour Govt. this has gone and a better informed electorate will have nothing to do with any party ~~that~~ whose system depends on mass unemployment. So the neat capitalist model society, based on free market forces is broken ^{and}. So all the capitalist countries have been forced to have inroads made on the system from the other end (the Govt end) and

The Capitalist model has to ~~be~~ be fed with ever increasing doses of state interference. They have to do this for their system to live. They have to accept the medicine which was always supposed to kill them.

So now we find the upholders of Capitalism in a dilemma. They now accept the principle of planning a society ~~by~~ but they recoil in distaste from using the methods which they connect with the hated Socialism. They find and use the quite logical objection that if we are to have a capitalist economy it had better have it run by people who believe in capitalism. Therefore, capitalists must do the planning to make it go. Of course we could argue, even more logically, that, since it is recognised that economic expansion cannot be maintained without ~~for~~ public control, this can more effectively be done by Socialists.

So now we have what is called the hybrid. A National Planning Council with no authority to plan and a National Wages Policy with no authority to control wages.

The Govt maintain that, in a free society, the people should have an awareness of the National interests and use self-restraint

This might well have worked as it did under Labour. But this Govt's wage
pause policy was preceded by a slashing cut in surtax and
only a farcical attempt to tax capital gains and the
transparent inefficiency of this was an insult to wage
earners. Moreover for ten years now the Govt. have encouraged
selfishness. It looks therefore as if the battle for an
effective wages policy is already lost. The situation can
be saved by the use of ~~three~~^{two} methods. A long term
capital gains tax, a wealth tax and a turnover tax with
exemptions for exports. The first and second would do
much to restore the social balance and the third would
be an incentive to tough salesmanship abroad. A planning
council could then be created to provide the co-ordination
to make things go. All labour spokesmen should make
every endeavour to build public opinion on these
simple truths

writing of local governing bodies to do with Lewes
links up with wider concepts of government. Remember
that at Lewes de Montfort ~~fought~~ ^{used} his army
to fight for the rights of a parliament. When we
think of Lewes we remember Thomas Paine who
* used his pen to fight for the rights of man. *
When I was Mayor a man came from one ~~of~~
the newly developing countries. He had been sent
to England to study government and to Lewes
because of ^(de Montfort and) Paine's connection with the town. Truly
a town of which I can say "I am proud to have
lived here and to have been Mayor

Al Barber

* ^{Paine} also served on the body governing Lewes in
the eighteenth century

British and Irish Descendants

On taking office, with a comfortable majority, in 1906, the liberals seemed to have a fair wind to enable them to carry through the various reforms outlined in their programme, such as more undenominational education, Irish Home Rule etc. However, in the event it did seem likely that these measures, together with others to do with Social Reform, would be thrown out by the House of Lords. It appeared that, in this democracy, whatever its mandate from the electorate, a party was likely to have its Bills turned down by a hereditary upper chamber. The Lords rejected the Budget of 1909 and the liberals decided to come to the country again and ask for powers to deal with this un-elected upper chamber. It was either this or direct the Crown to create sufficient liberal Peers to outweigh the conservative opposition in the Lords.

From the Conservative's point of view there was some cause for alarm. They were appalled at the proposed Social Legislation which appeared to threaten the privileges of the class ~~whose~~ whose interests they represented and being, at that time, Imperialists, the idea of Home rule for Ireland could not be thought about.

All over the civilised world the workers were demanding a more fair share of that civilisation and in England there was a great deal of industrial unrest. The workers had grasped the fact that in those rich "Edwardian" times, any advances in wages had to be fought for remorselessly and Fisher points out that between 1906 and 1914 eleven million working days were lost in a year.

Germany led the European countries in Social Legislation and in Town Planning, the provision of theatres, Concert Halls etc

For all England's bad start and the handicap of being the first with industrial towns, a good deal of progress had been made during the latter half of the 19th century, and, after the 1906 election a start was really made at lessening the social evils that flourished in spite of the great riches in the country.

The Conservatives were defeated again although the Liberals were very much weaker in numbers. However, with aid of the Labour Members (now appearing as quite a formidable force) and the Irish members the Liberal Government was able to struggle ahead with its reforms.

Ireland was very much divided. The six counties of the north, Ulster, were keen on keeping the Union with England and were very reluctant, as Protestants, to have Home Rule for Ireland which would place them in the power of the Catholic majority of the South. The Catholic South were extreme Nationalists but their representative, John Redmond would have been content to accept on their behalf Home Rule. Ulster would never accept Home Rule and the South would not have partition. When the Liberal Government, finding time among ~~the~~ problems like the International situation, the reforms at home, the suffragette movement, and the industrial unrest, to ~~bring~~ ^{produce} Home Rule for Ireland bill, Ulster decided to fight and started arming under Sir Edward Carson. In England the Conservative opposition were backing Ulster and civil war was almost imminent. The army was affected at that time by the aristocrats who were supposed to have the ^{forces} ~~troops~~ in their pockets. As the government began to move troops about there was grave anxiety for with the

number of Irish who had emigrated to various parts of the world, particularly to America, there was now now considerable numbers of Irish in a good many places abroad. Practically all countries were therefore against the English Government. The Irish trouble' was certain to spread. ~~The~~ The starting of the World War in 1914 united the parties in Britain and the Home Rule programme was dropped by all except by Sinn Fein a newer nationalist party of the south who continued the struggle, caused the Easter Week uprising in 1916 and were finally in command when the treaty was made in the early twenties

1. It can be argued that democracy, as understood in the West, is impossible unless those holding political power can envisage its peaceful transfer to an opposition. Where class tensions are acute, for example, and a propertied class holds power, it will normally not permit itself to be outvoted and its privileges curtailed. This was the case in Britain, ~~for example,~~ during the 1840s, when the ruling class was ready to resist by force the demand of the Chartists for the extension of the franchise to the working class. When, by ~~the~~ 1867, economic improvements had caused class tensions to lessen, the Government was ready, though only under considerable popular pressure, to enfranchise a large proportion of urban workers in the Reform Act of that year.

2. Besides class tensions, national antagonism may make democracy unworkable. In Ireland, in 1913, for example, Protestant Ulster Tories refused to submit to a democratic decision for Irish Home Rule. They were prepared to resist forcibly, backed by the officers on the Curragh and at least a section of the Tory leadership in England, frightened by the tepid social reforms of the Liberal Government and, rather more, of the rising strike wave and the spread of revolutionary syndicalist ideas among British workers.

3. In Ireland, as later in Palestine, an insoluble national dilemma was resolved by partition. It is possible that some form of de facto partition will come to Cyprus, and some are beginning to argue that partition will ultimately provide the only tolerable solution to the South African impasse.

The Third Republic

The Third Republic was the new political existence that France built up after the disastrous war of 1870. The word "Republic" had, for France, an association of violence and war; and the Parliament of Bordeaux was about two-thirds in favour of a monarchy. In spite of this a republic emerged from this parliament. Fisher gives three main reasons for this: ① The rivalry between the two claimants to the throne, the ~~Legitimist~~ Legitimist and the Orléanists. ② The refusal of the chief Legitimist to acknowledge the tricolour which, to the people, was the emblem of democratic institutions; and ③ the violent aversion of the democracies of Paris from any attempt to bring back the kings. Paris was republican and generally viewed the Bordeaux Government as a reactionary body who had already caused the defeat of France by the mismanagement of the campaigns and were suspected of trying to bring back the kings. Paris was exasperated by the defeat and the siege effects and, when the government attempted to withdraw the weapons with which the National Guard had been armed during the siege, it was decided to fight and there was the Paris Commune.

Fisher points out that although legend has it that the Commune was the first manifestation of the revolutionary movement that was to challenge the capitalist society all over the world, this was not its original or dominating character. It was rather a boiling up of Republican patriotism than a plot to overthrow the social order. As it gathered way, however, new goals were pointed to, such as the replacement of France by a

Federation of Republics, or the overthrow of the capitalist system all over the world. However, there was no central scheme, and no development from this. The Royalists, although in the Majority in parliament, made no move to take over the Government of the country so the provisional government was still republican. This, however, made no difference about stopping the Commune and M. Thiers, with a force of 130,000 trained men, won back control of Paris regardless of the blood shed.

In spite of ruthless methods used in suppressing the Commune, the Government now at Versailles, received general support and approval. People were glad to see the end of the Terror and the Government showed that, although it was republican, it was free of the association ^{of ideas} ~~of~~ ^{with} republicanism with revolution and terror.

On the other hand, it was now very clear that ~~the~~ the workers of Paris would never accept a monarchy, and after the 1875 discussion on the constitution, a conservative Republican Govt. emerged and the Royalist cause was lost.

The new constitution was framed to prevent any chance of a despot gaining power by means of the plebiscite. The president was to be elected by a joint session of the two Houses, the Senate and the House of Deputies. Thus care would be used in the selection, and the danger of some romantic figures being elected by the plebiscite was removed.

The authority was given to the Cabinet which was responsible to the popular chamber. The legislature had to complete its term and could not be dissolved before the end of that term. This made for weaker party discipline and so to Cabinets that had to face a continual attack by small groups on various issues and this in turn to Cabinets devoting more time to political strategy in dealing with minor or immediate issues than on more important programmes. It follows almost naturally that the Cabinets, which were frequently defeated and changing, lost the confidence of the French people who could generally find more pleasant subjects to discuss.

During the years up to 1914 the question for western civilization was how to establish friendly relations between France & Germany. This seemed impossible of achievement owing to the lost territories of Alsace and Lorraine but French feeling had it that ~~was~~ one day they would be won back. Bismarck however, had no intention of letting a situation arise which would let that happen. Fisher says Bismarck was alarmed at the economic recovery of France and her new military system which would enable an army of $6\frac{3}{4}$ million men to be organised and he wanted to keep the two territories as a curb on France's ambitions in this direction.

At this time there were divided opinions in France about the advisability of joining in the race for colonial imperialism. Under the persuasion of Jules Ferry France did annex various lands although many in France saw nothing but trouble arising therefrom.

Jules Ferry is also remembered for his legalising the Trades Unions and winning the education battle against the Clericals. He held that the Clerical teaching was not making for confidence in the Republic and the church schools were not up to standard. The Government dissolved the Jesuits and made possible the progress in education which was the most notable of the Republic's achievements.

This period of the Third Republic's history is noted for the fierce argument that was carried on between the Clericals and Monarchists on one side and the Radical anti-Clerical Republicans on the other. Many struggles there were in France on various issues but the basis of French History at this period is the struggle between the Clericals and the Republicans

mean
man

Fisher gives two illustrations of the instability of the Governments, Boulanger and the Dreyfus case. Boulanger was a General a romantic figure who caught the imagination of many people. Fisher considers that he could have seized power on more than one occasion, but apparently had not enough nerve and when the Government decided to bring him to trial he fled abroad and took his own life.

The Dreyfus case is the other example. Dreyfus was accused of selling secrets to Germany and condemned to deportation. A terrific struggle took place with

half the people convinced of his guilt and half sure he was innocent. Fortunately men of reason and courage roused the public conscience so the clericals with their anti-Jewish campaign, and the military with their insistence that a military court could not be wrong, were discredited and the Government settled down to a period of steady progress.

France then, contrary to outward appearances ~~showed~~ made good progress under the Third Republic. Besides the reorganising of the army there was good work by explorers and administrators abroad, a good civil service at home and a good social system. Manhood suffrage meant there were no disfranchised classes & so less fear of disturbances. The press was free and the Trade Unions exempt from government interference. Fisher points out that during this period, Socialists found a place in the Cabinet whereas in Germany and Russia socialism was proscribed. In fact, by 1914 the Republican set-up had enabled Socialists to demonstrate their ability to make valuable contributions to the French Parliament.

There has been a general distrust of governments from the bodies of the right. The feeling of Catholicism, Royalism and Nationalism was against the atmosphere of freethinking and secularism in which the country was governed under the Republic. The Republic won and by the Boulanger case and the Dreyfus case it established the supremacy of Civil over Military power and curtailed the power of the Church so that France was still a land of Civilian Freedom by 1914.

① The great achievements of Republican France were, as you say, in education and culture rather than in social reform. The workers obtained political and industrial freedom when the Communes were annexed in 1879 and trade unions legalised again in 1883. The Republicans needed working class support against the Monarchs and Church.

② Instead of devoting energies to social reforms, however, at the expense of the capitalist class, Republicans under Jules Ferry established French colonial dominations in Tunis and Indo-China. (Algeria was colonised under Louis Philippe in the 1830s, Morocco the takeover in 1912)

③ In their fight against clericalism, French Republicans were helped by the general atmosphere induced by scientific progress, Darwin and Higher Criticism in Theology.

FRANKEL INTERNATIONAL RELATIONS, CHAPTER 3

This chapter does not, of course, attempt to give a full picture of the Foreign Policy of different powers. Obviously this would be impossible. It does, however, try to give us a picture of the essential features that are necessary in any nation's policy. Although each state has some individual features peculiar to itself, the author for our benefit, has tried to use the same approach to each of the five states he has chosen. These are the U.S.A. and the U.S.S.R. as obvious choices. The United Kingdom is included as being a nuclear power and ~~with the~~ ^{because of her} 19th Century tradition, and China and India are added as being the most populous countries in Asia.

The important factors in a country's foreign policy are :-

- (i) Geographical or from Historical Tradition
- (ii) Peculiarities of the decision making machinery (Demographic ?)
- (iii) Major issues of foreign policy and commitments (economic ?)
- (iv) Attitudes to other States or Blocks (Ideological ?)
- (v) Attitudes to International Order (A trading country's need of peace)

The author then deals with Great Britain.

Geographically, Britain has, until recent times, been protected by the sea. This has lessened the chance of being dominated by any foreign peoples, or receiving too many by way of immigration. She has, therefore, been able to develop on her own lines.

Historically, Britain had a good early start when nationalism spread during the middle ages. As time passed the Scots and the Welsh were integrated. There were only these two to be integrated and, therefore, once this had taken place a long space of time followed in which the United Kingdom settled down as one nation.

On the above two factors then, of geographic security from invasion and a steady, integrated population at home, England has been able to build up a stable political system. The author points out that this country, being so small and well integrated, has a great deal of centralization.

In foreign policy, the fact of England's insularity is very plain. Beyond being interested that no Continental state should become too

powerful for its immediate neighbours, Britain has looked away from Europe in the main and, having always a powerful Navy, has built an enormous empire and really developed a big international trade. Thus, Britain's traditional role in International relations has been maintaining the Balance of Power in Europe; and, outwardly, to keep the sea routes free for her trade.

The author draws our attention to the machinery of Government for dealing with foreign policy, the main thing being the freedom of action the government has, which is unique in a democracy. This enables the British Diplomacy to be highly experienced and skilled. Despite this, Britain finds it increasingly more difficult to deal with a situation when she is no longer supreme or protected by the sea against foreign pressure. So the greater issues of Britain's foreign policy in this first half of the century has been to maintain the balance of power in Europe, although no longer strong enough to carry this out. To keep open the sea routes, though other powers have Navies stronger than hers ~~are~~. To keep sufficient markets abroad to pay for the importation of raw materials for industry and to pay for about 50% of food. Also, all the time to cope with demands from the former empire countries for independence.

Although to adapt herself to the 20th century changes was more difficult for England than for others, she did reasonably well. After the second war various difficulties have arisen and some of Britain's own actions have not been very helpful. The retaining of the idea of being a nuclear power which she obviously cannot afford. Continuing as world banker and financial provider for the Commonwealth is a tight squeeze and, although some overseas commitments have been lifted by emancipating territories, some mistakes have been made such as Suez and failure on European integration.

Britain's most close foreign relations are with the Commonwealth countries, the United States and Western Europe.

1. ^{Good} ~~The~~ relations with the Commonwealth ~~being good~~ is a measure of ^{the} able administration in those countries by Britain while they were still under her dominion.
2. Relations with the United States of America, after the

War of Independence have, in the main, always been improving. Similar cultures have helped here, and the two English speaking countries have been drawn together during the two world wars. During later years, however, the "special relations" partnership is being converged with the integration of Europe. The attempt and the failure to join the Common Market marks a point where the British Commonwealth links and the "Special Relations" with the United States should be revised.

3. Britain was the main opponent of Communist expansion after World War 2 but, later, the United States took over this role. Now her attitude to the Communist blocks is more easy than that of the United States.

Britain has in Modern times always been identified with International order. Her trading depended on order in the world and it was, of course, to her advantage to keep the lead she had.

After 1919, when this was no longer possible, Britain was a member of the old League of Nations and is a rather lukewarm member of the United Nations. Nevertheless she is a member, and paid up, despite the condemnation by the United Nations over Suez.

The author considers that the main problem is whether Britain should continue as now or should give up her individual contribution to International order and merge with the Western European States. She is faced here with the unpleasant prospect of curtailing her own sovereignty and having to accept, in advance, a fixed constitutional design.

Good and clear summary:
perhaps balance between first and
last parts not quite right -
first part done too fully:
otherwise very good.

Oswald Spengler published in 1918 and 1922 his books which the conception of the growth and decay of civilizations was put forward. He distinguishes between culture and civilization.

Culture is really vital and profitable. Civilization is the decaying, later stages of culture its inevitable fate.

This is the climax civilizations are a spirited senility Zenith from which descent starts, in ancient the 4th Century. In Western Modern Society the 19th Century

"Culture" is the Summer of an Era "Civilization" the Autumn
The organic nature of social development.

The cyclical theory of history.

Spengler puts a vitalist interpretation on

antithesis of truth and fact. and the man of each

Spengler's idea of the Hero. He is the man of fact and has not much control over destiny (which is destined) but he is

the instrument of destiny. The alexanders and the caesars coming

at a later cycle of time and standing ^(youthful gallant) for age and realism

In the age of decay (see above) the caesars bring discipline to disintegrated democratic society. If applied to us it would

imply Napoleon and the Caesar has not yet arrived

The decay is also seed time. Instead of truth values and money values. Judging time for action instinctively

Hegel set out to make an entirely new approach to modern thought. Broadly, it was intended to deal with the opposition ^{between} science and its method, and that implicit in the traditional religions and ethics, regarding the natural order of things. Rousseau had already pointed out the struggle between religion and science. The French revolution had already caused a reaction in favour of National traditions and customs as we saw last week with Burke. Hegel's aim was to join these opposing tendencies. "To show the customs and traditions of nations ^{elements of} as ~~an~~ ^a single system evolving world wide civilization, to give science its due place. Hegel, therefore found it necessary to offer a new method of reasoning, the dialectic. Sabine points out that the nature of Hegel's conclusions has been as influential as the new method of reasoning by which ^{he} professed to justify them.

He set a value on the National State and he put the accent on the nation rather than on the individuals or groups of individuals that comprised it and held that the spirit of the nation works through these individuals or groups but mostly independent of their conscious will or intention. The history of civilisation is the succession of National Cultures each making its contribution to human achievement. This part of Hegel's philosophy, the worship of the state, has persisted in some respects to the present day as we know by Hitler's Germany and the fascism of Italy under Mussolini.

explain
Dialectic

(thesis antithesis, synthesis)

Sabine points out that, although the method (the dialectic) and the result (nationalism) were joined, there was no close logical bond between them and in the end they parted. Marx changed the dialectic the struggle of ideas, to the struggle of real things and this became, as dialectical materialism, one of the instruments of socialism which is, in principle not

nationalistic but internationalist and generally speaking, against the state. On the other hand, nationalism, the idealizing of the state grew quickly during the succeeding century without the dialectic acid. At the commencement of the nineteenth century radicalism was implicit in nationalism but as the century advanced nationalism became reactionary and conservative. Hegel has, therefore, the distinction of being, as it were, the father of two opposed political thoughts. From the dialectic stems working class radicalism ending in communism and on the other hand from the idealization of the state stems conservative nationalism ending in the state worship of fascism.

The Historical Method.

This method assumes there is a pattern of development which can be seen by a proper arrangement of the subject matter. This is true for the whole of ^{evolution} Society or for any chief phase in that evolution. Thus it is possible to show an orderly evolution of institutions and government. This pattern of development is there and can be discerned by a proper arrangement of the facts. By the method the general current of history can be discriminated from the "eddies and backwaters of the stream." This idea of a set pattern of the evolution of history fitted in with the idea of biological evolution which came in the latter half of the nineteenth century. However, that was after Hegel's time. He believed there was more in his system than in the previous ideas regarding progress. He believed that the laws of thought and the laws of ^{events?} growth both have a pattern of growth and are in the end identical and they are discernible. He considered the previous methods in social study deficient in that it examined the separate parts that made up the whole organism whereas his reasoning examines the whole and therefore the forces that control the parts.

Hegel was interested in religion and also the Greek studies and came to the conclusion that religion was part of the social life of a people. This was his approach to all kinds of cultures and institutions. He made them all parts of one total culture.

In politics Hegel's idea is of the National Spirit, working through ~~the~~ the national institutions, that makes a nation great. In the Germany of his time he considered this spirit was frustrated by the state of the country. This was really not much different from a collection of small feudal states that compared very badly with the unified nations such as England France & Spain each under one monarch and he blamed the discrepancies between these three and Germany and Italy, ^{on the other culture} whose peoples had not yet learnt to subordinate the parts to the whole.

In his definition of a State he comes to the conclusion that the State is the organ of the National Will both at home and abroad. That the form of government, Civil Rights, Privileged Classes, and differences in Religion, ^{Don't matter} so long as these things are part of an organic whole. He considered that the greatness of England France & Spain proved that the destruction of Feudalism and the uniting under one monarch by a country makes for the strengthening of the State & he hoped for a great leader for Germany. He did not believe Germany would ever be united by consent and he thought it was war and not peace that strengthened the State. In 1802 he was convinced that Germany needed an era of Blood and Iron to make it into a strong state. The rules of morality do not hold between States. A State has no other duty than to preserve and strengthen itself.

This is Hegel's political philosophy. As in the Dialectic, or the struggle between ideas until ~~in~~ the great final synthesis results in the final, greatest Idea, the Absolute, so in

politics the State (German of course) driven on by that 'Spirit of the nation, emerges from the final struggle, the greatest organism

1. One valuable result of Hegel's philosophy is a realisation that history is not made by individuals, in accordance with their wishes and talents, but results from the pressure of historical forces, which individuals are quite powerless to change. This does not mean that individuals can not affect the course of history - but in order to do so they must swim with, not against or across the current.

2. Another conclusion is that, in any society, economic, political, ~~xxxx~~ legal, moral and religious institutions and ideas are interconnected. Hegel said that they were different spheres in which the spirit of the nation~~s~~ manifested itself. Even if we do not accept such an idealistic approach we can recognise the importance of interdependence for an understanding of history and society.

3. Hegel was not quite the first philosopher to stress the importance of a sense of history in understanding society and politics, but he was the first to do so in a systematic way. He ~~xxx~~ derided the "hypocrisy of good intentions" and Burke said something very similar when he wrote that "virtue which is impractical is spurious". Moral judgement is only valid if it is relevant to the stage of social development reached, ~~xxxxxxxxxxxxxxxx~~ and in harmony with the development of historical forces. Only in these conditions can it make any difference. Hegel identified "right" with "effective" and, in a historical sense, who can say he was wrong?

(I have been more dogmatic than usual in my comments, because they are more than usually condensed)

As we learned last week, Lenin took the view that the proletariat would be unable to carry through the complete revolution. He believed that a strong Communist party, with many intellectuals, was necessary. This would spread Communist doctrines and would act, as it were, as the Headquarters staff of the army of the working classes. Thus the spreading of the ideals of the party, plus organisation and rigid discipline, would carry the revolution through successfully. Victory was the result of Party solidarity.

That Lenin would not tolerate any deviation from the ideology of the Party is shown by his opposition to the suggestion of some of his socialist comrades in exile who were in favour of working Marxism in with the line of thought favoured by the scientific positivists. This would mean abandoning the belief in the dialectic and Sabine suggests that, in some respects, Marx himself only thought of the dialectic as a useful working hypothesis. Whether or no this was so, Lenin would have none of it. Sabine continues the discussion for a page or so on whether the dialectic, either in ideas or materialistic form, was really a scientific method and he comes to the conclusion that both logic and science say no to this question, and, if the answer of logic and science is true, then Hume is more important in modern thought than Hegel.

Marx considered that physics and chemistry were a science (non-historical) separate from social science (historical). The dialectic method of reasoning was applicable to the historical. Lenin and his followers made a fresh division in the social sciences. One, the philosophy produced by the bourgeois in its own interests and, two, that produced by the proletariat in its own interests. Sabine considers the intention of this is to prove that in philosophy, economics

and politics there is no impartiality and perhaps this must be accepted because ^{these} subjects are so close to human values that to be objective in judgement is impossible. Sabine also points out that what is proved is that there can be no such a thing as social sciences in the sense that it can be compared to natural ~~science~~ sciences.

Lenin however considered there were two social sciences: one Bourgeois and one proletarian and the latter is the progressive one. Sabine draws our attention to the view held by some communists writers that there is in art two kinds, one proletarian and progressive, and one Bourgeois and decadent and he points out that this position is based on the two assumptions: that communism is bound to be successful and that it can be proved to be progressive. These be valuations and not facts, he doubts the ability of the dialectic to prove these assumptions to be true.

At the outbreak of the great war Lenin made what is reckoned his chief contribution to the Marxist theory, that is the Imperialist war and Communism in the Imperialistic stage of Capitalism. When the war came the questions that had divided the Socialists of each country had to be resolved. They were the supporting of National interests etc. and in the event Socialists, generally speaking fell in with their own National governments. An angry Lenin argued that it was of no use trying to fix the blame on any nation, for each had the same economic motives. The war was a capitalist quarrel and the workers had no vital concern in it ("certainly the Russian worker had no interest in taking away the spoil of a young robber (Germany) and giving it to two older robbers (England & France)").

Lenin believed in the civil war between the two classes, and not the war between nations. He accounted for the division among the Socialists by the fact that during the last quarter of the nineteenth century the rate of production had been increased and there had been some measure of general prosperity, working class bodies had grown peacefully and were on the way to being in a position where they could take over parliamentary Government by peaceful means. There was also beginning a tendency to replace revolutionary methods by trade union bargaining. Furthermore, Lenin considered that ~~many~~ ^{some} of the working class, small but influential, had escaped benefit from lacking capitalist exploitation of the workers in the more backward countries.

Lenin had a further explanation for the division of Socialists into different nationalistic camps. In the capitalist, producing countries units had grown larger and, as this tendency continued, competition tended to disappear in a country. The pressure for markets and raw materials grows at length into an international struggle, through tariff barriers and to war, over the sources of raw material and the undeveloped countries. In short, an imperialist war, like the 1914 one, is between syndicates of Germany capitalists and syndicates of French & English capitalists for the control of Africa among other struggles of a smaller nature.

The Marxian theory was to provide a guide to proletarian tactics. These tactics must be fitted in with the nature of a period. Lenin produced a new theory to fit in with the new phase of Imperialist Capitalism. The earlier ~~phases~~ ^{Periods} of capitalism had

found the bourgeois a progressive class in comparison to the feudalism they had overthrown and ^{one} that had introduced forms of democracy and the liberation of nationalities. It was sound tactics for the proletariat to adapt itself to the situation created by this (at that period) progressive class. War at that time could be to do with the freeing and building up of nationalities and it was right for the socialist to help in this. However 1871 to 1914 saw the height of ~~nationalist~~ capitalism's growth and 1914 marked the start of the downward curve of capitalism. The Bourgeois was no longer progressive. Imperialism was at its height and the purpose of the proletariat must again be the overthrow of capitalism but on a world wide scale.

When Lenin returned to Russia in April 1917, the March revolution had taken place and the Kerensky government was in power. This was considered a Bourgeois government and, ~~according to~~ ^{in accordance with} strict Marxist principles, had taken power from the feudal aristocracy and given it to the middle classes. It was a further principle that the Bourgeois revolution should be properly developed before the Proletariat take over. Marx had maintained that "no nation could overleap the natural phases of evolution" and Engels had shown that "force can only supplement a revolution, which must be prepared by economic development" and Lenin had believed that a democratic republic was all that could be expected in Russia at this stage.

Surprise was caused among Marxists, therefore, when Lenin set aside this conception of revolutionary progress

and proceeded with the Proletarian revolution of Oct 1917. He pointed out that in real life things turn out differently. This is surprising change over for the man who had clung so rigidly to Marxist orthodoxy.

Sabine considers that what probably carried conviction among ^{Lenin's} followers was that they believed the proletarian revolution was imminent all over Europe owing to the war. They believed that otherwise, the Socialist revolution would be impossible in one country. The continued life of the revolution in Russia proved this to be false, although the Soviets were assailed by all the capitalist countries.

This revolution was carried through by the small minority composed of the Communist Party and the urban proletariat, without the period of Bourgeois government which was, according to Marxist teaching, the period necessary for the majority of a population to get used to reforms and democracy in preparation for its transformation into communism. It does occur to me that in these circumstances it was no wonder a police state was necessary to enforce reforms: since the population had no period of adjustment as the Marxist theory maintains there should be. It does appear to day, looking at the U.S.S.R. that Lenin's opportunism was triumphant. That however is Lenin's personal triumph and does not take into account the untold sufferings of millions through civil war & famines owing to this short cut. Moreover Marx, like many of the originators of ideas, has to take the blame for distortion, by those who follow him, of their ~~his~~ theories. For example it is said that all these

Sufferings and miseries are caused by Marxism. Nobody says they are caused by Leninism.

1. Lenin adapted Marxism to the conditions of an under-developed, semi-feudal autocracy, in which capitalism had developed to the stage of creating both a proletariat and a bourgeoisie. In his pamphlet published in 1905, Two Tactics of Social-Democracy in the Democratic Revolution, he argued, against the Mensheviks, that in such conditions the bourgeoisie would be incapable of carrying through a ~~proletarian~~ democratic revolution, since it would fear unleashing the revolutionary forces of the proletariat. Therefore, the proletariat, in alliance with the peasantry, must take power.

2. Lenin did not envisage at that time, though Trotsky did, the possibility that the proletarian revolution would establish, not an advanced form of democracy with social reform, but a socialist economic order. When forced by circumstances to begin building socialism on the ruins inherited by the Revolution, the Bolsheviks expected the Revolution to spread to other European countries.

3. When this did not happen, the Bolsheviks found themselves building a socialist society in a country in which the proletariat was a small minority, surrounded by a sea of backward, property loving peasants. This situation required either abdication or an iron dictatorship. The Bolsheviks justified their dictatorship in Marxist terms, but in fact it was not the dictatorship of the proletariat, of which Marx had spoken occasionally, but ~~xxx~~ a dictatorship of the Bolshevik Party and, eventually, of one man.

Hegel set out to make an entirely new approach to modern thought. Broadly, it was intended to deal with the opposition between science and its method, and that implicit in the traditional religions and ethics, regarding the natural order of things. Rousseau had already pointed out the struggle between religion and science. The French revolution had already caused a reaction in favour of National traditions and customs as is to be seen in England at the time of Burke. Hegel's aim was to join these opposed forces or tendencies; to show that the customs and traditions of nations as elements in an evolving world-wide civilisation; and to give science its true place. Hegel therefore found it necessary to offer a new method of reasoning, the Dialectic. Sabine points out that the nature of Hegel's conclusions has been as influential as the new method of reasoning by which he professes to justify them. He set a value on the National State and he put the assent on the State rather than on the individual or groups of individuals that comprise it, and he held that the spirit of the Nation worked through these individuals or groups but mostly of independent of their conscious will or intention. The history of civilisation is the succession of National cultures, each making its contribution to human achievement. This part of Hegel's philosophy, the worship of the State, has persisted, in some respects, to the present day as we know by Hitler's Germany and Mussolini's Italy.

(Insert the Dialectic)

Sabine points out that, although the method (the Dialectic) and the result (Nationalism) were forces that were joined, there was no close logical bond between them and in the end they parted. Marx changed the Dialectic, the struggle of ideas, to the struggle of real things and this became known as Dialectical Materialism, one of the instruments of

socialism which is, in principle, not Nationalistic but Internationalist, and, generally speaking against the State.

On the other hand, Nationalism (The Idealizing of the State) grew quickly during the succeeding 19th century without the aid of the Dialectic!

Chapter 13. Day.

We have seen that the expression "Terms of Trade" means the difference between the price we pay for imports and that which we receive for our exports. For instance, low import prices and high export prices means that Terms of Trade are favourable and vice versa. We have also seen that an exchange rate change (Depreciation of currency) used to deal with a balance of payment deficit will possibly mean a deterioration in the Terms of Trade.

Day has pointed out some snags in the previous chapter regarding ^{the} depreciation method. If the elasticity of prices is not much more than unity then we are in danger of the price changes being used up without being much help to improve the balance of trade.

In these circumstances direct controls such as Tariffs or Import Quotas could be used. Tariffs are Taxes on imports and Quotas ^{are} ~~being~~ actual restrictions on the import of goods.

An advantage of controls as a method of dealing with balance of payment troubles is that it is possible by these means to improve the position without deterioration in the Terms of Trade. Day points out that direct controls have some disadvantages and that they do not always avoid the loss in Terms of Trade that are possible in exchange depreciation. He gives, as an example of this, the possibility of a monopoly group of foreign exporters increasing the price of their goods and the restrictions on these goods at home influencing some consumers, who are able and willing, to pay more for the limited supply. If this happens there has been a deterioration in the Terms of Trade that we are trying to avoid. He does add, however, that this possibility

can be overcome by a monopoly home importer or the use of import duties. By and large then, if an increase in the price of our imports can be avoided, there would be no loss in our terms of trade should controls of imports be used. The prices paid received for our exports, ^{are the same} and we have restricted the volume or value of our imports so the balance of trade and payments has been improved. The total quantity of goods that we have to forgo is smaller than when exchange depreciation is used. The author points out that if import controls are used, a balance of payment deficit of, say, 100 millions, is dealt with by a reduction of the imported goods the home consumer enjoys by 100 millions; whereas, if exchange depreciation is used, each unit of imports has to be paid for with more exports than before. The terms of trade have worsened.

On comparing these two methods again we find there may be a disadvantage in using controls. With import controls we lose the use of one kind of goods, imports. With exchange depreciation less imports are used but some home goods go for export. Foreigners are buying more of our exports i.e. some of our home consumption. Again some of our imports may be very necessary to us (such as raw materials) and the situation could arise that we have to use yet more import controls and all there is left to control may include some of these necessary goods. In these circumstances exchange depreciation could be tried; and in that case, as we have seen, we give up yet more goods to go for export and then, if the importer country has a demand elasticity

that is greater than unity, we have made a step towards closing the gap by increasing our earnings abroad although there is a loss in terms of trade

Day takes the view then, that the more strictly import controls are imposed, the ^{more} difficult it will become to find imports to restrict that are not essential to the country's economy, and he considers it almost inevitable that a government will turn to exchange depreciation instead of controls.

Another reason why a government may prefer depreciation to controls when ~~in~~ we are in trouble with the balance of payments is one that would occur to novices in this sort of study. Suppose the other country ~~also~~ likewise and control their imports from us. Suppose they retaliate. Any kind of retaliation in the use of any kind of controls will be unsatisfactory for both the countries concerned. The consumers have to go without some things that are produced more cheaply abroad and also it is necessary for there to be some division of labour as there is in almost all industries in almost all countries. At the present time some countries have to specialise in the nature of things

Even if no country retaliates, direct controls over foreign trade does reduce the extent to which advantage can be taken of the division of labour. This loss may be thought worth while by some individual country which does suffer from retaliation because the full use of the international division of labour does involve a terms of trade loss

Discriminatory Controls

When a country has come to the decision that it is necessary to use direct controls, it may be found useful to discriminate between different countries.

Dag gives two reasons in favour of this. The first is that retaliation can be dealt with more easily, and the second is that it is more easy to maintain a higher level of world trade so that more advantage is being taken of the world division of labour.

We consider, in turn, these two reasons given for the advantage of discriminatory over non-discriminatory controls. First then it says that it is easier to deal with retaliation. Take a world of three countries

A, B, & C. If B. puts controls over her imports from the rest of the world (non-discriminatory) the effect is to ~~use~~ improve her balance of payments, but then C. may be forced into the same position because she has been forced into a balance of payment deficit.

B. and C. could then agree to reduce their restrictions to each other's trade while keeping restrictions on ~~the~~ A.

If we now think of the world of many countries instead of just three, we can realise that quite a complicated arrangement of discriminatory controls could be set up, ranging from discrimination against countries who are in a strong position and who are not likely to retaliate to those whose weakness in the field of foreign trade would force them to retaliate. He points out that different countries have varying powers to influence the characteristics of discriminatory systems and he gives, as an example the position of Britain.

This obtained
after the war
with America
USA

Should Britain refused to convert sterling into dollars she could force many other countries to discriminate against America

The author then returns to his three-country world and with three tables shows how discriminatory controls have the advantage over the non-discriminatory variety, in that the level of world trade is higher ^{and} More advantage is being taken of the division of labour internationally

In this chapter I think the author has made clear the drawbacks of trying to correct a bad balance of trade and payments position by means of devaluation and he has also shown any advantages this method may have over direct controls. He has also made clear the advantages and disadvantages of controls.

To sum up, Day is teaching and has quite rightly, given the pros and againsts when dealing with a bad trade balance position. As far as can be judged he would be reluctant to use direct controls, but, having decided they were necessary, he would in the end plump for discriminatory controls as against other methods.

1. It is impossible to rectify an adverse balance of trade except at some cost to the domestic standard of living. This is to be expected, since an adverse balance means that a country is consuming more than its domestic national product.
2. Deflation (restrictions on credit and public expenditure) reduced imports and releases more resources for exports at the cost of reducing internal production and consumption and increasing unemployment. Devaluation reduces imports and increases exports (given that the total elasticity in the demand for imports and exports is greater than unity), which is usually the case) at the cost of worsening the terms of trade.
3. Import controls reduce imports and do not, normally, worsen the terms of trade, but they also do nothing to stimulate exports. Day argues, elsewhere, that a period of excess capacity, such as the present, is a favourable one in which to depreciate the currency.

Important Changes in the Class Structure of Our Society since 1800

I think the two most important changes began to have their effect in the early years of the 19th century. Hitherto the ruling classes had been composed mainly of the Landowners and some of the more influential Merchant Class. Though of growing importance, the latter class did not wield such influence as the Landowners and it was the aim of many of them to acquire land. By 1800, when the Industrial Revolution was in full swing, two new classes began to appear, the factory owners, or Industrialists, and the proletariat, or the people who worked mainly in the new power driven factories. These were the people who owned nothing but their labour to exchange for the means of livelihood. They were the wage earners.

The Industrialists developed and became a real force in the country. In 1832, by way of the reform act, they secured representatives in Parliament and so broke into an age old monopoly of Government in England.

This Industrial class, now integrated with various other grades into what is called the Middle classes, began to wield a great influence over the whole country and to make the Victorian age the most prosperous known.

Because of this Middle class drive, aided by the religious ~~way~~ ^{wave} started by Wesley, and the economic teaching of Adam Smith, the one of which did much to keep the new working class quiet in a time of great unrest in Europe, and the other which justified the untrammelled free enterprise system, England was able to improve her position in the world trade and the new Industrialism was firmly established.

With the coming of the railways transport was much easier. Many shortcomings of the factories and the crowded towns built round them was now observable, and there was thenceforward an increasing amount of legislation designed to build up local government, and to strengthen the factory acts. In time this meant an increase in

They form in fact what is usually known as the new middle class as opposed to the old middle class of industrialists, farmers, and professional men.

It depends on what you mean by this. I very much doubt whether anyone concerned of it Act in these terms at the time.

the number of officials, both clerical and professional who, I think, we can say formed another new group in the structure of the middle classes.

During the nineteenth century the working classes increased enormously in numbers and by the middle of the century were becoming organized in the "New Model" Trade Union movement. From this date they began to seek a bigger share of the economic prosperity. By the eighteen seventies the first steps to give them political equality were taken, a process which continued until 1926 when universal suffrage was obtained. The Education Acts, from 1870 onwards could be described as steps in the direction of giving everyone the opportunity of a fuller life. It was also the beginning of a movement whereby the way could be opened and allow a member of the proletariat to be able to climb into the class above him and, by the present day, a good deal of use has been made of this opportunity. Since the Reform Act of 1832 the enfranchisement of citizens has continued down the social structure and the result has been that the working class have, with the aid of the more radical minded of the Landowning and Middle classes, built up their own political organisation, capable of governing, and ~~this has had~~ the result has been that the working class has been raised to a position of importance and responsibility. A position where they govern or form the chief opposition, as the Industrialists did a hundred years previously. The middle class Industrialists having merged with the Landowning class, yet have firmly implanted their philosophy in resultant synthesis and I think we may say that there are now, (broadly speaking) only two powerful class organisations.

On the economic or social side the conditions of living tend to move ~~and~~ to a more equitable state as can be expected when two powerful organisations have an equal balance in the country.

The most important changes in the class structure

therefore, were the emergence of the middle classes as a strong force in the 19th century, and the more gradual development of the working classes in the 20th century.

These came about by the drive of scientific discovery and mechanical invention, and I think these forces tend towards some form of economic equality; a society whose members' difference is status has other causes than economic.

A. C. Barber 1955

V. Good.

make the effort not worth the while.

Now I think this trend of ^{using} education to lift oneself to a higher social level had other causes than snobbery and the chief of these was the system of individual competition for security. The 1944 act, through the opportunity it offered, might have increased this competition except for the fact that it made opportunities other than those through the grammar school by way of secondary technical education. The economic situation changed greatly after the war. It became necessary for the country to produce manufactured goods. Labour came to be in very great demand. ^Youths who had been to the secondary technical schools were eagerly sought after as apprentices and firms continue the education of these lads vocationally with the support of the ministry.

we find that we cannot almost say the job is lifting the worker as it is often by its own importance makes of the man lifting himself up to the job.

The general impression given me is that secondary Ed., extending further than just the grammar school variety, still tends to lift one up the social ladder. This process is aided, however, by the fact that owing to the demand for labour plus the fact that the ordinary jobs are of great importance is now better understood by people generally (the workers' block is honoured).

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