

industrial framework of the country.

In recent years this machinery of production has been enormously improved by the introduction of motor engines, which though largely bought on credit are now paid for and are owned by their users.

The result of this investment of Capital, and the consequent improvement of the machinery of production, has been that notwithstanding the withdrawal for war purposes of a considerable percentage of our most able-bodied men, the Colony's capacity for production has been increased and the Labour involved decreased and all classes have benefitted thereby,—a good instance of the beneficial effect on the community of the application of Capital to Industry.

I have referred to the increase in the issue of token money by the great Nations of the World since the war began. This increase has been stupendous. And yet in Great Britain these liabilities are not greater in proportion to the population and its wealth, than was the debt of the Nation at the end of the Napoleonic Wars. The importance of safeguarding and maintaining the National Capital, and the necessity of not driving it away is well exemplified by what happened then. For it has been often pointed out that what saved the Nation from disaster and bankruptcy was the enormous Industrial production which was rendered practicable by the development of the steam engine, and the energetic application of capitalistic enterprise and investment in steam plants of all kinds, which enabled the population of the British Isles to increase their individual output far beyond anything that had previously been known.

The industrial development of those days was of course accompanied by many abuses which would

not be tolerated now, and which could have been to a considerable extent prevented then, had these problems been as well understood and industry as well organized as it is to-day.

I have stated that until some entirely new system from that upon which civilisation has been hitherto progressing, shall be discovered, there must be co-operation, mutual toleration and support on the part of *both* Capital and Labour.

As yet no alternative workable system to replace the present one has been devised or is in sight. One hears a great deal about Socialism, and Socialism is often put forward as a practical system to displace the present so called capitalistic basis of society. Often a good deal of bitter feeling is worked up in advocating the destruction of the present capitalistic system and its replacement by Socialism. The entire subject is one that should pre-eminently be dealt with not excitedly but from the point of view of a calm judgment which has first informed itself as far as is possible, regarding all the ascertainable facts.

To begin with, Socialism,—precisely what is meant by the word Socialism—should be very clearly defined. A very large amount of ill-feeling incidental to such discussions is attributable to the fact that one man means one thing by Socialism, another means something quite different, and a third representing a large contingent has only the haziest notion of what he really does mean when he uses the word.

Socialism, as a definite conception, must not be confounded with a policy of progressive and regulated social reform. The word Socialist is often used to designate the wise, reasonable and progressive social reformer, and in this sense everyone who is not a fool or a scamp would like to subscribe himself a