

THE STATISTICAL AND SOCIAL INQUIRY SOCIETY OF IRELAND.

THE OIREACHTAS AS A NATIONAL ECONOMIC COUNCIL.

A QUESTION FOR SAORSTÁT EIREANN.

(OBSERVATIONS ON THE QUESTION OF THE ESTABLISHMENT OF
A NATIONAL ECONOMIC COUNCIL FOR SAORSTÁT EIREANN.)

By D. P. GALLAGHER.

[Read before the Society on May 2, 1929.]

The subject chosen for this paper has been suggested by the informative and comprehensive paper read by Mr. Mortished before the Society at its meeting on Friday, 22nd March, entitled "Notes on the National Economic Councils of Germany and France." These Notes dealt with the establishment, constitution, and working of the Councils, and also with their relations with the respective Governments and Legislatures since their creation, the German Council in May 1920, and the French Council in January, 1925.

I shared the regret expressed by those who listened to Mr. Mortished's paper that time did not on the occasion permit of a more extended discussion, in the course of which the question of the desirability of establishing a National Economic Council for An Saorstát would doubtless have emerged.

At first sight it would seem quite an attractive, as it would apparently be quite a feasible idea, to create such a Council, to which could be referred any large scale or intricate problem arising in the Free State if it bore or could be labelled as bearing an economic, financial, or sociological complexion, thus raising and keeping, as they undoubtedly should be kept, such matters to the plane of national rather than of party or sectional policy and discussion, to the great saving of Legislative time and energy and the general public advantage. The experiences of the German and the French Governments, however, with their Economic Councils would seem scarcely to have been such as to encourage the idea of a Council of the kind here, and I, therefore, in this paper suggest for consideration whether, if experiments are to be

tried, the first should not be that of so amending the Constitution as to enable the Legislature itself to perform all the functions of a National Economic Council without any of the drawbacks which it would seem are inseparable from the existence of such bodies side by side with National legislatures.

Before proceeding to the development of my proposition that the Oireachtas itself provides, or with a suitable adjustment of the Constitution can be made to provide, the natural and proper agency for dealing with Economic and Sociological matters affecting the Saorstát as a whole, I shall ask the indulgence of my hearers to make one or two preliminary observations designed towards a rather more definite understanding than commonly exists of the meaning of terms which I may have to use, and which without some sort of agreed definition might be liable, through varying conceptions of their significance or application in the course of discussion, to cause misunderstandings or confuse issues.

First, as to the terms "politics," "political" and "politician," I wish to be taken as using these in their primary and inoffensive significance as relating to the Art or Science of Public Government. This definition is the more necessary because of an increasing tendency observable in the Press and on the part of many public writers and speakers to sneer at the "mere politician," and to refer to politics and politicians as necessarily implying the practice of empty oratory and the use of artifice and cunning for party, sectional, or even selfish ends, instead of the application broadly and disinterestedly of principles of universal rectitude and justice directed towards the general good of the community. The tendency I refer to is to be deprecated as leading to a tacit acceptance in the public mind that there is something sinister in politics and something not quite respectable about the politician.

It would, I submit, be to the public advantage and tend to the elevation and purification of public life if public writers and speakers would habitually make a distinction between, on the one hand, Politics, the Science of Government, requiring for its exercise breadth and strength of character, prolonged study, wide observation and wise judgment, and, on the other hand, mere Polemics, which is not a science at all and can be exercised by persons of little or no education or training or character.

Some preliminary clarification and definition will also be of advantage as to the relations or interrelations between Politics, Economics, Finance and Sociology. In the various

reports and references to the working of the German National Economic Council, for example, we find mentioned Economic-Political, Social-Political and Financial-Political affairs, the hyphenation seeming to predicate that while Economics, Sociology, and Finance are all relatable to Politics, as between themselves there is no necessary relation. In Press references and by public speakers, too, we find Economic, Financial, Sociological, and Political topics dealt with in watertight compartments as if each was self-contained and could have no relation to the others or with the universally accepted moral principles upon which these sciences, with civilisation itself, are based. This segregation tends to misunderstanding and confusion, so for the sake of clearness I ask for the acceptance of the premises.

(1) That Finance and Administration are subdivisions of the Science of Public Law, which in turn is a branch of Political Science or Politics.

(2) That Political Science or Politics is one of the divisions of the Science of Ethics, another division being Economic Science, sometimes termed Political Economy or Economics.

(3) That Ethics is the Moral Science, sometimes termed Moral Philosophy, which treats in general of the foundation and nature of morality, and in particular with the free actions of mankind in given circumstances.

These premises, if granted, would clear the way to the establishment of the position that all Economic, Fiscal, Financial and Sociological questions pivot fundamentally on an accepted Moral Philosophy or system; that they can be dealt with effectually only through the agency of Politics, with its legislative, administrative, and financial machinery; that each of them may have interrelations with one or some or all of the others; that satisfactory progress can be made in the development of an effective and enduring political structure only by the recognition and due co-ordination of those interrelations where they exist. Consequently and finally that, granted a suitably devised Constitution and a reasonably educated personnel in the Oireachtas, there should be nothing inherently impracticable or even very difficult in the legislature for such a comparatively small political unit as the Saorstát dealing itself, through the existing Ministerial and Departmental machinery, with all matters of public concern, whether political, economic, financial, or social, without the Constitutional encumbrance of any external Council or other body.

The Constitutions of the National Economic Councils in Germany and France appear primarily to aim at removing

from the sphere of party conflict all questions deemed to be of an economic, financial or social character, and in each constitution representation is allotted to specific "interests" and vocational groups as well as in some instances to territorial sub-groups. In the German constitution the Economic Council has very extensive duties, powers, and contacts with the Government and the Legislature. The French Council functions practically as an advisory council to the Prime Minister, but with certain powers of initiative.

I quote here from the report of Professor Henri Lichtenberger on the working of the German Council, dated 1927, seven years after the creation of that body:

"The life of the Economic Council has up to the present been rather dull. It has introduced no important innovation as regards methods, and has exercised only a very mediocre influence. The discussions between technical experts have not proved themselves to be more fruitful than the oratorical jousts of the politicians. . . . The Economic Council has been regarded as a sort of Court of First instance where economic proposals have been examined by those interested, and criticised with technical arguments. But the decisive struggles between the diverse groups of opposing interests continue to take place in the Reichstag. . . . It is not surprising, therefore, that for the present, at least, its role has not much chance of growing in importance."

Here is another quotation from the official explanatory memorandum attached to the Bills for the establishment of the permanent German Council, submitted to the Reichstag on the 14th July, 1928 (after eight years working of the provisional Council).

"The Provisional National Economic Council has done work of extraordinary comprehensiveness, in estimating the value of which it should be specially borne in mind that the persons engaged upon it were able to give to the carrying out of that work only such time as they had available outside their ordinary vocations. . . . In all those cases in which the Government has asked for the opinion of the Council before it had definitely decided on a Bill proposals and suggestions made by the Council were adopted by the Government *without the fact being made known to others, so that often the Legislature was not aware of the part taken by the Provisional Council in the framing of a Bill.*"

These quotations rather more than hint at practical limita-

tions to the utility of such Councils, and point to the dangers inhering in any attempt to put into operation as a part of the established Constitutional machinery, side by side with a regular legislature, any external and quasi-independent body with power of initiative, or of interference with the Government, the Legislature, or Departments. With all such bodies there must exist the danger of their lapsing into star-chamber methods likely to develop an atmosphere of suspicion and friction with the Legislature or with sections or parties within the Legislature; and ultimately to lead to a loss of public confidence in the working of the Legislature itself.

The question, however, remains, if a specialised Economic Council auxiliary to the Legislature is inadmissible, whether as regards the Saorstát the Legislature itself can be constitutionally adapted to deal with thoroughness and finality, on a plane above sectional or party divisions, and with full regard to all legitimate interests, with large scale Economic and Social questions. In my view it can be so adapted, and with advantage; and in what follows I venture to submit, by way of initiating discussion, the framework of one of perhaps many possible schemes for such a modification of the Constitution as would make the Oireachtas itself representative within reasonable and practicable limits of all vocational and other specific interests in the community.

The experiences of Germany and France in the drawing up and subsequent revision of their Councils will be helpful in an approach to our own problem as indicating the principles upon which the evaluation, numerically, of the various vocational and other interests was effected in those countries.

The first or Provisional German Council consisted of 326 representatives divided into ten main groups, as follows:—

(1) <i>Agriculture and Forestry</i>					
Agriculture	...	...	...	...	62
Forestry	...	...	...	...	6
				—	68
(2) <i>Horticulture and Fisheries</i>					
Horticulture	...	...	...	...	2
Fisheries	...	...	...	...	4
				—	6
(3) <i>Industry</i>					
Grouped vocationally	...	...	...	...	48
Grouped territorially	...	...	...	...	20
				—	68

6 *The Oireachtas as a National Economic Council.*

(4) <i>Commerce, Banking and Insurance</i>				
Grouped vocationally				
Commerce	...	...	...	20
Banking	...	...	...	6
Insurance	...	...	...	2
Grouped territorially	...	...	...	16
				— 44
(5) <i>Transport and Public Undertakings</i>				
Shipping	...	...	...	10
Transport Trades	...	...	...	4
Postal Services	...	...	...	2
Railways and Tramways	...	...	...	6
Municipal Undertakings	...	...	...	4
Associations of Local Authorities	...	...	...	4
Public Savings and Credit Institutions	...	...	...	4
				— 34
(6) <i>Handicrafts</i>	...	...	...	36
(7) <i>Consumers</i>	...	...	...	30
(8) <i>Public Officials and the Professions</i>	...	...	...	16
(9) <i>Nominees of the Reichsrat</i>	...	...	...	12
(10) <i>Nominees of the Government</i>	...	...	...	12
				—
				326

The representation within the groups was further minutely subdivided, and the organisations, such as employers' federations, trade union federations, etc., responsible for nominating the representatives, were specified.

The representatives of groups 1 to 6 were divided equally between employers and employed, and the three Divisions, Employers, Employed, Consumer, and Public Interest recognised in the Council's Standing Orders.

In the Council which is to replace this Provisional Council the number of permanent members has been reduced to 151, classified as follows:—

DIVISION 1: 48 members.

(Agriculture, Forestry, etc., Industry, Handicraft, Commerce, Banks and Private Insurance Organisations, Transport and Fisheries.)

DIVISION 2: 48 members. Workers' Representatives.

(Salaried employees must receive their proportionate share of representatives, and one of these must represent Agriculture and Forestry. Of the wage earners'

representatives at least eight must represent Agriculture and Forestry, and at least one must represent home-work.)

DIVISION 3: 55 members.

(Local authorities, public insurance and credit institutions, consumers co-operative societies, organisations of housewives, agricultural and producers' co-operative societies, newspapers, public officials, professions, nominees of the Reichsrat and a representative of Germans overseas, nominees of the Government.)

It is difficult to detect in the revised grouping any very clear principle based broadly on a specific recognition of either Labour or Capital as such, or of a division of the services to the community in the way of Production, Manufacture, and Distribution through the collaboration of Labour and Capital; and it would almost look as if the attempt in the provisional council at too meticulous a scheme of representation had not proved a success, and that one of the main objects of the revision might be to reduce the numbers of a body that had been found unwieldy in operation.

The original French Council with its three main classifications (1) Population and Consumption, (2) Labour, and (3) Capital would seem to be more logical in its composition, more in accord with accepted economic opinion, and it should have worked at least as satisfactorily as the much larger German Council, but a revised constitution has been proposed, increasing the number of representatives from 47, allocated as follows:—

(1) Population and Consumption	...	...	...	...	9
(2) Labour	...	...	...	...	30
(3) Capital	...	...	...	...	8

to 150, allocated as between:—

(1) Production	...	...	...	...	80
(2) Exchange, Distribution and Transport	...	...	...	...	48
(3) Consumption	...	...	...	...	22

It is of interest here to compare the process of development of the Councils in the two countries. Germany, starting with a Council of 326, after eight years' experience reduces the number to 151 with a more or less arbitrary consolidation of the groups and sub-groups specifically represented. France, on the other hand, starting with a Council of 47, subdivided as above shown into three main groups with 22 sub-groups, now after less than three years' working

proposes to increase the strength of the Council to 150 with 57 sub-groups. It is an interesting coincidence that in Germany the process of reduction and consolidation of groups and sub-groups should stop at the total of 151, while in France a contrary process of increase in the total as well as in the number of groups and sub-groups should arrive at the almost identical figure of 150.

It is to be understood all through that in every group and sub-group in both the original and revised Councils of France and Germany equal representation is provided for employer and worker whether salaried or wage earner.

It will be recognised that there is room for difference of opinion as to whether the numerical strength assigned to the different groups and sub-groups in the German and French Councils is in accord with the real relative importance of these groups to the community, and the point is of some importance in that all the projected reports, recommendations, and acts of the Councils must ultimately come to the decision of a vote, in which numbers only and not assumed value count. The principle worked upon seems to have been broadly to base the number of representatives assigned to each group or class rather upon the number of specific vocations or lines of specific interest recognised as pertaining to the group or class than upon any, necessarily arbitrary, assessment of their relative importance to the community.

With the example and experiences of France and Germany before us we may now proceed to examine the question whether any revision in the basis of representation in the Saorstát Legislature is desirable, and if it is, on what principles and with what objectives any amendment of the Constitution should be designed.

First, as to the desirability of a revision, the most case-hardened "politician" will feel himself compelled to admit the growing volume of public opinion, diffused through all classes in the community and finding frequent expression in the non-party Press and Literature, that existing Parliamentary institutions have to some extent outlived their usefulness, that they do not reflect the necessities of the times or the real workaday interests of the masses of the people, and that they have degenerated largely into a mechanism of mere periodical struggles between certain organised groups for the emoluments and kudos of office and patronage. In saying this I hope I shall not be taken as hinting disparagingly in the smallest degree at any existing party or group or individual.

We in the Saorstát can take some comfort from the fact that notwithstanding all the world percussions of the great war, politically, economically, financially, socially and morally, on the top of which we had our own prolonged upheaval, we are in no worse position at the present moment than are such wealthy and highly organised States as Great Britain, Germany, France, the United States, or Russia, to mention only the leading Powers. In all these States the same falling away of confidence and general public interest in the functioning of Parliamentary government is a matter of concern and anxiety to statesmen; one outstanding and portentous symptom being the small number of people who will trouble to exercise the franchise; side by side with insistent calls from the masses for "bread and butter" policies instead of party tactics and polemics.

Italy, Germany and Spain under the pressure of impending catastrophes, attributed by common consent to the decay of Parliamentary institutions and the failure of these to reorganise their economic and social conditions so as to provide proper living conditions for their people, have pulled up by the roots and completely reorganised or are in process of reorganising their political institutions. In Russia we have seen the whole political and social fabric torn into chaotic fragments, still some distance away from stable reconstruction.

The National Economic Councils of Germany and France are in essence an attempt, in the impossibility of completely abolishing "party" government, to define and segregate "bread and butter" politics from party political issues. For the reasons I have already given it would seem doubtful whether the attempt can be permanently successful.

In Italy, under a similar urge and for the same reasons, a still more radical reconstruction of the whole political edifice has taken place and is being tried out. So far the epoch making departure of Signor Mussolini and his associates seems to be functioning successfully, but whether a system in which the element of Dictatorship forms so considerable a factor can continue to exist as the normal political institution is on the knees of the Gods.

There is an old maxim "when your neighbour's house is on fire take care of your own." We see the feverish devotion of people of all classes and more particularly of our youthful citizens to amusements and emotional excitements of all kinds, while at the same time we are listening to the complaints of workless and despairing men and women and of naked and hungry children. We hear and read of the in-

difference of the people to election issues, and surely with all this an echo of the call of the old Roman citizens for bread and circuses, with its portents of decay for the State, should awake in our mind, and suggest the inquiry whether our institutions have not got out of gear, and if they have whether it is not full time to explore the causes and find remedies if they are to be found.

In the hope that I have succeeded in demonstrating the desirability of an examination with a view to the improved working of our Parliamentary system, I now proceed to examine the principles upon which a revision might be based, and to formulate a scheme for a Legislature designed to combine territorial or topographical representation with specific representation for vocational and other particular recognised interests. Here again I would desire to guard against being misunderstood. I claim only the right of an ordinary citizen to express without offence my views on what is a matter of public interest and in doing so recognise that many and no doubt better schemes can be suggested. My scheme does not pretend to be more than a basis for what should prove a timely and interesting and useful discussion.

In the formulation of a scheme of the kind it will be necessary at the outset to have in mind some idea of what is meant by the terms "vocation" and "specific interest." Vocation means, of course, occupation, calling, or means of livelihood, but representation is accorded only to organisations or trades unions or federations of unions. The definition of "specific interest," though not so simple, can be understood from a reference to the details of representation in the German and the French Economic Councils. An illustration is the classification of Railways, Tramways, Shipping, Insurance and State or Municipal Undertakings as "special interests" while the salaried staff and wage earners employed by them are grouped for vocational representation under their various trade organisations. Other interests recognised specifically as such are organisations like Associations of Local Authorities, Public Credit and Savings Institutions, Professions, Public Officials, organisations of Housewives, Domestic Servants, Co-operative Societies, etc. In the French Council representation is provided for Population and Consumption, Labour, Urban and Rural Crafts, Industrial and Commercial Capital, Real Property, Production, Exchange Distribution and Transport, Commerce, and Consumption, all of which are classed as specific interests as opposed to vocational interests.

It will be obvious that in setting out to design a legis-

lature consisting of two Houses and providing representation for :—

- Territorial or topographical interests
- Vocational and occupational interests
- Other specific interests,

it would not be practicable in the Saorstát with its one and three-quarter million voters to go to such minute grouping and classification as was possible for Germany and France with their so much larger adult populations, so that to keep our proposed legislature to a reasonable number of representatives we shall have to aim at as broad a grouping as possible of vocations and specific interests.

Then there arises also the question along what lines the grouping and classification should be made: Population and Consumption, Labour and Capital as in the original French Council; Production, Exchange Distribution and Transport, and Consumption as in the revised French Council; or the three groups in the revised German Council, roughly corresponding to Capital and Finance, Labour, and special interests.

I propose for the Saorstát what seems the natural and logical basis, dividing the representation in the Lower House or Dáil between six main heads of service to the community, viz. :—

1. Production
2. Industry and Manufactures
3. Distribution
4. Capital and Finance
5. The professions: Education and Culture
6. Other special interests.

These main heads I would divide into classes and subclasses, with grouping as indicated in the following table :—

	Representation.		
	Organic (employees— or specific interests.	Vocational Salaried and wage earners).	Total.
<i>Production.</i>			
Agriculture	1	1	
Cattle and sheep raising	1	—	
Dairying, poultry and eggs	—	1	
Co-operatives	1	1	
Fisheries: Sea and land	1	1	
Quarrying, mining	1	1	
	—	—	
	5	5	10

12 *The Oireachtas as a National Economic Council.*

	Representation.		
	Organic (employees— or specific interests.	Vocational (employees— Salaried and wage earners).	Total.
<i>Industry and Manufactures.</i>			
Building	1	1	
Furniture and woodwork	1	1	
Metal work	1	1	
Food, drink and tobacco products	2	2	
Clothing, Underwear. Textiles	1	1	
Other industries	1	1	
	7	7	14
<i>Distribution.</i>			
<i>Transport.</i>			
Railways	2	2	
Canal and River	1	1	
Road	1	1	
Sea, including dock work and warehouse work	2	2	
Harbour undertakings	1	—	
<i>Commerce.</i>			
Wholesale (including foreign) trade	1	—	
Semi-retail and retail trade	1	1	
	9	7	16
<i>Capital and Finance.</i>			
Banking and stock exchange	2	2	
Insurance	2	2	
Building societies, thrift societies and co-operatives	2	2	
Friendly societies	1	1	
	7	7	14
<i>Professions: Education, Culture.</i>			
Legal	2	—	
Medical and Pharmaceutical	2	—	
Other professions	2	—	
Teaching, primary	—	2	
Teaching, secondary and university	—	2	
Charitable and philanthropic organisations	1	—	
	7	4	11

	Representation.		Total.
	Organic or specific interests.	Vocational (employees—Salaried and wage earners).	
<i>Other specific interests.</i>			
Hotel keeping	2	2	
Domestic service	—	1	
Civil service	—	1	
Municipal services	1	1	
Other interests	1	1	
	4	6	10
			75

The above figures represent merely one attempt at making within reasonable limits a classification of leading interests and vocations for the Saorstát. It will serve as a basis of discussion. The underlying idea is to allow one representative to each interest as an organised communal service or interest. Where more than one representative is shown it is with the intention of providing for possible different branches of an interest or vocation, and has nothing to do with relative importance.

The representatives are intended to be nominated by their respective organisations, trade unions or trade union federations, for the time of one Parliament, and coming into existence at the same time as the elected representatives. Where no organisation exists or can be stimulated into existence for any particular vocation or interest the Government should have the right to nominate. Organisations should have the right to change their representatives under suitable regulations at any time or to withdraw them altogether.

The number and classification of the vocational representatives might be left to organised Labour in conference with the Government, and I can see no difficulty, under suitable arrangements, about altering at any time the distribution provided the total number of representatives is kept within the figures laid down in the Constitution.

So far we have dealt only with the vocational or "specific interest arm" of the Lower House and we have now to consider the other or electoral arm.

The Dáil at present consists of 147 territorial representatives with 6 representatives for the two Universities. So large a number would not be necessary once the special and vocational interests of the people were provided for, and I

suggest that with the 75 representatives nominated by vocations and interests there should sit 56 representatives—an average of 2 for each of the 28 constituencies, but distributed as thought desirable between the constituencies—making a total Lower House of 131. I suggest no further representation in the Lower House for the Universities as such, the more particularly as these can be represented directly in the Seanad, the composition of which we can now consider.

The main purpose of a Seanad being to apply the minds of the more experienced and cultured members of a Legislature to current legislation removed as far as possible from the turmoil and conflict of sectional or party controversy, and to provide a means for delaying within constitutional limits the passage of hasty or hotly controversial measures, the numerical strength of that body is not an object of public concern so much as its quality and its capacity to represent the sober and informed mind of the responsible elements of the community, so I suggest a Seanad composed as follows:—

Former Ministers who have served as such in at least two Parliaments	4
Former Heads of Departments who have served at least ten years under a Minister in that capacity	4
Representatives of:—	
Banking and Finance	4
Commerce	4
Insurance	4
Agriculture	4
Labour and Industry	4
Law	4
Medicine	4
Universities as such	4
Teaching, Primary	2
Teaching, Secondary and University	2
General and unspecified	5
Total	49

All the representatives in the Seanad to be *elected* by the Dáil, but the *power of nomination* for election to lie as follows:—

ex-Ministers and ex-Heads of Departments with the existing Government.

Banking, Commerce and all the other sections, except the general and unspecified, by their respective organisations.

The general and unspecified by the Dáil itself.

We should thus have a legislature in which all interests of substance would have a direct voice and have their particular point of view authoritatively represented in the councils of the Nation, while the general political currents of opinion would have full reflection in the 56 territorial representatives elected on the same lines as at present and giving full play to the exposition of party or sectional views. If the idea of a revision of our representative system caught the public favour it might be advisable to refer it for consideration and report to a Committee drawn from the Seanad and the Dáil and representing all the existing parties.

With the revised legislature proposed it would still, no doubt, be sometimes desirable to have the assistance of specially appointed Commissions or Committees outside the legislature; but these, as at present, would be called into existence by the Government of the time, have no power of interfering with the Government, the Legislature or the working of Government Departments, and go out of existence when they had reported to the Government or otherwise completed the functions assigned to them.