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THE SOCIALIST MOVEMENT

By J. RAMSAY MACDONALD, M.P.

LONDON

WILLIAMS & NORGATE

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PROF. GILBERT MURRAY, D.LITT.,  
LL.D., F.B.A.

PROF. J. ARTHUR THOMSON, M.A.,  
LL.D.

PROF. WILLIAM T. BREWSTER, M.A.  
(Columbia University, U.S.A.)

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THE SOCIALIST  
MOVEMENT

BY  
J. RAMSAY  
MACDONALD, M.P.

AUTHOR OF "SOCIALISM AND  
GOVERNMENT," "LABOUR AND  
THE EMPIRE," ETC.

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# CONTENTS

CHAP.	PAGE
INTRODUCTION . . . . .	ix

## SOCIALIST EVOLUTION

### I POLITICAL

i. Mutual Aid . . . . .	15
ii. The Individual in the Community . . . . .	17
iii. The French Revolution . . . . .	22
iv. The Century of Individualism . . . . .	26

### II ECONOMIC AND INDUSTRIAL

i. To-day . . . . .	29
ii. Revolts against Poverty . . . . .	36
iii. The Rise of Capitalism . . . . .	41
iv. The Fulfilment of Capitalism . . . . .	47
v. The Small Capitalist . . . . .	52
vi. Summary . . . . .	55

## SOCIALIST CRITICISM

### III THE ECONOMIC FAILURE OF CAPITALISM

i. Rent . . . . .	56
ii. Interest . . . . .	61
iii. Waste of Capital . . . . .	64
iv. Waste of Labour . . . . .	66
v. Poverty . . . . .	70

CHAP.		PAGE
IV	THE INTELLECTUAL FAILURE OF CAPITALISM	
	i. Religion . . . . .	78
	ii. Literature . . . . .	82
	iii. Science . . . . .	88
	iv. Comfort . . . . .	92
V	SUMMARY . . . . .	94
SOCIALIST CONSTRUCTION		
VI	THE SOCIALIST METHOD	
	i. Utopianism . . . . .	99
	ii. Revolution . . . . .	103
	iii. The Experimental Method . . . . .	105
	iv. The Parliamentary Method . . . . .	108
	v. The Scientific Method . . . . .	114
VII	WHAT SOCIALISM IS NOT	
	i. Anarchism and Communism . . . . .	122
	ii. The Abolition of Private Property . . . . .	125
	iii. The Negation of Liberty . . . . .	132
	iv. Equality . . . . .	138
	v. Economic Determinism . . . . .	142
	vi. Class War . . . . .	147
VIII	THE IMMEDIATE DEMANDS OF SOCIALISM	
	i. Democracy . . . . .	150
	ii. Palliatives . . . . .	154
	iii. Constructive Legislation . . . . .	157
	iv. Right to Work . . . . .	163
IX	IN THE SOCIALIST STATE . . . . .	170
	i. Ability . . . . .	171
	ii. Artistic Genius . . . . .	178
	iii. Minority Rights . . . . .	185
	iv. Workshop Management . . . . .	190

CHAP.

PAGE

## THE SOCIALIST MOVEMENT

X	THE SOCIALIST MOVEMENT . . . . .	195
	i. Saint-Simon and Fourier . . . . .	196
	ii. Robert Owen and Chartism . . . . .	202
	iii. Marx and Engels . . . . .	206
	iv. Marxism and Revisionism . . . . .	210
	v. Lassalle and the German Party . . . . .	213
	vi. The French Party . . . . .	218
	vii. The Italian Party . . . . .	222
	viii. The Belgian Party . . . . .	223
	ix. The Party in America and other Countries . . . . .	225
XI	THE SOCIALIST MOVEMENT ( <i>continued</i> )	
	i. The British Party . . . . .	229
	ii. The International . . . . .	236
	CONCLUSION	
	" If Mankind continue to improve " . . . . .	243
	BIBLIOGRAPHY . . . . .	249
	INDEX . . . . .	253



## INTRODUCTION

ONE of the greatest of the difficulties which beset the path of the Socialist is the refusal on the part of his opponents to give an accurate statement of what Socialism means and what the purpose of Socialism is. The main object of this book is to explain both. The Editors have asked a Conservative to explain Conservatism and a Liberal to interpret Liberalism, and have on the same principle turned to me to write about Socialism. It is, perhaps, best that doctrines which are the objects of fierce assault should be explained by writers who believe in them, for, whether a doctrine is or is not to have a lasting influence, depends not on the success with which clever critics attack some of its outworks, nor on the amount of error which creeps into its popular advocacy, but on the amount of truth which it really contains, and that is more familiar to friend than to foe.

The Socialist movement has suffered, as all great idealist and Utopian movements have suffered, by having attached to them proposals which do not really belong to them, but which happened to be born and cradled with them. Progress has a habit of bringing

forth several babes at the same time. For instance, the earlier advocates of Socialism were found in the more extreme camps of liberal thought in their day. They heralded with unqualified enthusiasm the conquests of science on the field of faith. It was their nature to give no lukewarm welcome to anything that seemed to be a gleam of light on the horizon. Religion in their day was the creed of the rich; churches were built to keep the people quiet; an English reactionary majority in Parliament voted money to the Church to help it to stem the rising tide of Radical democracy. The Socialist pioneer went out boldly and challenged all this. He grouped all his enemies in one crowd, all their creeds and professions in one bundle, and he condemned them in the bulk. This happened in other directions, with the result that today the opponents of Socialism try to make Socialism itself responsible for every extravagance, every private opinion, every enthusiasm of every one of its advocates. The logic is this: Mr. Smith writes that the family is only a passing form of organisation; Mr. Smith is a Socialist; therefore all Socialists think that the family is only a passing form of organisation. This method of controversy may offer for itself a shamefaced justification when it is resorted to for the purpose of a raging and tearing political fight in which the aim of the rivals is not to arrive at truth but to catch votes, but it cannot be defended on any other or higher ground, and it requires only the slightest knowledge of the history

of opinion in this country to see what havoc would be played with our critics if we were to apply such a perverted logic to them and their creeds.

Socialism is the creed of those who, recognising that the community exists for the improvement of the individual and for the maintenance of liberty, and that the control of the economic circumstances of life means the control of life itself, seek to build up a social organisation which will include in its activities the management of those economic instruments such as land and industrial capital that cannot be left safely in the hands of individuals. This is Socialism. It is an application of mutual aid to politics and economics. And the Socialist end is liberty, the liberty of which Kant thought when he proclaimed that every man should be regarded as an end in himself and not as a means to another man's end. The means and the end cannot be separated. Socialism proposes a change in social mechanism, but justifies it as a means of extending human liberty. Social organisation is the condition, not the anti-thesis, of individual liberty.

Round this conception of the State and community, of mutual aid and of social evolution, many interests cluster. It is like a city towards which roads run from all points of the compass—a pilgrims' way for the devout, a trade route for the merchant, a bridle path for the philosopher; and so we have many aspects of Socialism. We have, for instance, the Independent Labour Party

approaching it down political pathways, the Christian Socialist section, like the Church Socialist League, approaching from religious quarters, scientific Socialist groups, coming by way of biological or other scientific roads, and so on. As time goes on and our industrial experience gets fuller and more accurate some of the forecasts made by the earlier Socialists, and some of the forms in which they cast their theories, have had to be modified. Also, advance in one direction opens out other ways of advance hidden until then, and methods change in response. For instance, the Socialists of half a century ago lived when revolution was in the air in Europe and this coloured their statement of the Socialist position. The atmosphere has changed and so the colour has faded, but Socialism itself remains that conception of the social organisation which I have indicated above.

It may save some misunderstanding if I make it clear at the very outset that Socialists do not attack individuals. When they criticise *capitalism* or *commercialism* they do not condemn capitalists or business men. On the contrary, they consider that the capitalist is as much the victim of his system as the unemployed, and that he has to conform to its evil pressure in the same way as the poverty stricken have to do so. The results are not the same, but they are products of the same social mechanism. Socialism deals primarily with the evolution of economic relationships and not with the moral nature of man.



Of course the problems of society can never be treated as though they were independent of the problems of the individual life, but man as a separate individual, and man in society, present well differentiated groups of problems, and Socialism arises in connection with the latter rather than with the former.

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# THE SOCIALIST MOVEMENT

## CHAPTER I

### POLITICAL

#### 1. *Mutual Aid.*

MUTUAL aid amongst men has played at least as great a part in human history as the struggle for life. Within his clan and tribe the individual has striven for mastery over other individuals. Chiefs have plotted and murdered, thrones have brought many rivals to their steps, and sexual selection has been picking and choosing survivors and offspring since the beginning of time. But this individual selection has always had a social setting. If it resulted in weakness it was not a man who died but a clan that was swept away; if it resulted in strength it was not a tyrant who was born but a nation that was founded. Romantic history is the story of heroes; scientific history is the story of peoples. The conflicts and movements that make history have been the conflicts and movements of masses and organisations. The colossal historical figure has been the man endowed with the capacity to gather up in himself the life of his time.

For dramatic purposes we think of some Adamic beginning—a desert island, a solitary man, an enemy's footprint on the sand. But whether we are explaining economic or political or ethical laws, we immediately proceed to bring a second man into friendly contact with the first so as to create barter, a market, subdivision of labour, an alliance, mutual interest, for one or other of these things is the driving wheel of progressive change. The wattles are set up and the mound and ditch made, but for the village not for the individual; the castle is built, but to protect the retainers as well as the lord; the king is chosen, but he is the representative man of his people. Personal power is representative. It is the centre of mass power. Laws are passed and obeyed for the good of the whole, to repress the strong and protect the weak, to punish the dishonest and reward the honest, not at first that individuals may have justice done to them, but that the community may exist and flourish. Conceptions of individual rights and of justice come much later. The conflict of nations and clans brings feudalism—the organisation of a mass whose existence is threatened and which is threatening the existence of other masses. The subdivisions of labour and responsibility, of power and of honour; the relations of clansman and chief, of baron and king; the economic structure of slave, chattel slave and lord of the manor, were not the creation of individual will and forethought, but the response to a law of mutual aid as imperative as that law which

determines that the bee must pack its cells as octahedrons and not as cubes.

The conception of individual right comes to play a part in history only after social solidarity has been secured. Visions of the existence of such a right flash like comets across history long before they enter a system of practical politics. From these visions have come, in our own history, Lollardy, John Ball and the peasant rising, the extreme wings of the Independent schisms during Cromwell's time, the early Socialist agitation; but they were only the dreams of its coming perfection which troubled Society, and they but led to the shedding of blood or to the visitation of vengeance by the powers that were. They were not to be understood even, until many generations after their leaders had died, had been lampooned, and had been put, like many another precious thing, on the dust heaps and in the lumber rooms.<sup>1</sup> Social organisation arises to protect the whole, but it is first of all captured by the strong and exploited by them. This double thread of exploitation and revolt against exploitation runs right through history.

## 2. *The Individual in the Community.*

The explanation that these revolts of the oppressed were only the antagonism of a subject and exploited class to a ruling and

<sup>1</sup> Only yesterday has justice been done to men like John Ball, Jack Cade and Wat Tyler, and the truth has been told about such uprisings as the Peasants' Revolt in England or the Hussite Rebellion in Germany.

exploiting one lacks historical background, and is therefore inadequate. The exploiting class had a necessary function to perform. If it put a yoke of subjection on the necks of other classes, it was because the organisation which society required in order that it might exist at all, implied such a differentiation into classes, with political and economic inequalities, and consequently with opportunities to prey upon the mass and use power for personal and class ends. John Ball's sermons, to the ethics of which no one can take objection, could no more have been carried into effect in the days of the Henrys than the Sermon on the Mount can be carried into effect to-day. On the surface, the whole history of human progress within communities and nations is a series of class struggles. Liberty "slowly broadens down" from class to class as the enfranchised sections of the nation tend to become the whole of the nation. In the earlier stages of society the custody of national functions must be in the hands of a few because the military officer is also the political authority. But when the factory takes the place of the battlefield in national importance, the custodianship of national interests must pass into more hands, and the propertied and middle classes are enfranchised and their economic interests taken special care of. Finally, when the state becomes a democratic organisation and co-operates with the individual in all spheres of his activity, the movement for political democracy has ripened and has produced its natural social fruits.

Political power, in the nature of things, must, then, be used for economic (amongst other) ends. For, whilst the political aim of a class may be power, or honour, or wealth, for the mass of the people there is but one aim possible, a general raising of the standard of life. It has been customary, especially since Maine's time, to consider Democracy as nothing but a *form* of government. That is totally wrong. It is a *kind* of government. With a social democracy politics really become national for the first time, and community consciousness takes the place of class consciousness.

From this point of view historical evolution assumes a meaning and an interest of special import. We start with the group—originally a family. The solitary individual must have been more brute than man—indeed, the creature that became man had ceased to be solitary. The human group is not the creation of thought but of instinct and habit. Love is historically older than reason. But the group as it becomes older, more fixed and better organised has a double life and function. It protects itself as a group; and in this way it develops a system of government, of ethics, of religion, of defence; it also protects the individual. "For," as Aristotle, who is sometimes claimed as the father of Individualists as Plato is claimed as the father of Socialists, wrote, "as the State was formed to make life possible, so it exists to make life good" (*The Politics*, Welldon, p. 5). These two purposes run through history, sometimes

working in harmony, sometimes appearing in opposition. In the ancient village community of India and in some French villages before the Revolution, the group life reached its fullest stage of development. In India, caste brought the individual into a most complete subjection to communal life. From his birth he had his function assigned to him. The sons of carpenters were carpenters, the sons of barbers became barbers. They were not individual workmen at all; they were village functionaries having a share in the village wealth, as an organ of the body has a share in the nutriment and life of the body. They did not receive wages; they had a claim upon communal wealth in a communist way. At the other extreme we have our own modern city where the individual, within certain bounds set by his economic position, whilst obeying codes of law of a social character is free to go and come, to serve and accept service of his own will.

Between these two there are many gradations which mark a well-defined historical evolution. Perhaps no code of national law and custom has observed the balance between group life and individual life more successfully than that of Israel. These people were a chosen race, but their religion was as individualistic as it was racial. The individual Jew, unlike the individual Hindu, was never merged in his race. He retained the rights of individuality. And so we have in the Mosaic code and its amplifications the most careful safeguards against slavery



and a deadening poverty. Every seventh year Jewish slaves are liberated; clothes taken in pawn must be restored at the end of the day; every seventh year is a fallow year for the fields when they become common property; the rights of the people to the soil are protected by legal and religious penalties. The code, it has been frequently argued, partook of some of the qualities of some modern legislation and was more complete on paper than in practice. But be that as it may, here it is, an expression of the sense of justice and an indication of the economic ideals of the religious leaders of the people. As the nation increases in prosperity economic circumstances arise to create a wealthy and luxurious class on the one hand, a poverty-stricken class on the other. The revolt against that is embodied in the writings of the prophets, and they flare with a glow of indignation against the economic disruption of the ancient religious government; they denounce the rich, the man who is adding field to field, the usurers, in language which sounds harsh and wild to us now when it is used to describe our own conditions. The community of Israel with its adjustments of social and individual right and its moral restraints imposed upon economic processes, went down before a capitalist civilisation, just as the Indian village community is decaying to-day before the advance of Western economic civilisation. From this it has been argued that a society organised as Israel was can never survive the assault of a people like

our own to-day. But the Socialist reply is that whilst the organisation of Israel could not withstand the world pressure of its time, its spiritual and moral characteristics have always remained as enticing ideals in the minds of men, and thereby provide not only a proof that they are to find another opportunity of expression in society, but an earnest that the world pressure will change so as to aid rather than stultify that opportunity. In other words, Socialism reads history in the historical spirit.

### 3. *The French Revolution.*

The critical point in European history, when the rights of the individual asserted themselves in modern times against an oppressive, because dead, form of social organisation, was the French Revolution. Feudalism had worked itself out. The fighting organisation of the state, by reason of its own success, had enabled new forms of communal activity to grow up under its protecting influence. The life of the community changed its character, and the time had been reached when a new communal organisation was required. The Revolution did not affect France alone, nor did France alone contain the elements which burst out into violence. France happened to be the stage upon which the new life fought for an expression in the most dramatic way. A forerunner had appeared in Protestantism when individual reason challenged the bond-

age to which ecclesiastical authority had doomed it. Before Protestantism there was the Renaissance when the mind of the West insisted upon looking upon the world with bare eyes. But Protestantism had carried liberty only up to a certain point. True it had been accompanied by an interesting upstirring of political thought and action, because reason can never be enlivened at one point without feeling the effect in all its activities. Luther was attacked by his enemies in the Diet of Worms for aiding and abetting social disorder; Carlstadt and Münzer accused him of not being revolutionary enough. The Kingdom of God was founded by the sword and "the Word" in Münster. So, too, in our own Puritan times. Democratic doctrine welled up from the same source as religious revivalism. But not until the French Revolution, two centuries and a half later, did the new wine burst the old bottles. Protestant reformations, geographical discovery, the making of roads and the extension of commerce, the triumph of natural science, the creation of a rich trading class all went to produce it; the special circumstances of France alone determined the stage upon which the blood was to flow and the collapse of the old was to be the most deafening and terrible.

The French Revolution paralysed the social organism in order that the rational abstraction "All men are born free and equal" might be proclaimed from the housetops. To begin with, Europe was plunged into wars;

European communities were cut up and carved according to the vain wills of soldiers and diplomatists; generations had to pass before nations found the boundaries, and citizens the groupings, which were natural to them and within which alone they could develop themselves. Europe took a century to recover from the shock and the shattering which it received when France rose and swept the old away in torrents of blood and by the brute force of armies.

In Great Britain, where the change took place without disruption, we can trace the current of progress much more easily than we can trace it anywhere else. The man who was to be born "free and equal" was the man of property, the man belonging to the middle class. The richer members of that class had used their wealth particularly during the eighteenth century for the purposes of political bribery. "To acquire political power at the expense of the country gentlemen was the first and one of the chief causes of that political corruption which soon overspread the whole system of parliamentary government" (*History of the Eighteenth Century*. Lecky, vol. i. p. 202). The rich man was enfranchised in 1832 and immediately proceeded to settle the political policy of the state as an honest citizen; his religious views were accepted and he won his religious freedom; his economic interests became predominant. He required only the most rudimentary form of social organisation for his protection. An

army and navy for big things and a policeman for small things satisfied him. For the rest he only desired to be let alone. He could look after himself. The explanation is that he held enough property to secure to him all the other liberties he required. Markets were good, profits were high, he had a substantial balance at his bank. Under these circumstances, he only wanted the removal of certain old communal restrictions so as to enable him "to be an end in himself." This is the Liberal epoch—the epoch of the government of the man who, having control of the economic forces of his society, finds freedom. Hence, it is the epoch of a political and intellectual individualism of the mechanical and not the organic type. It is marked by an extension of commerce, by vast accumulations of wealth, by the creation of commercial empires, by the rapid march of scientific discovery, by the perfecting of the means of production and by the concentration of industrial capital. But, above all, it is distinguished by the growth of political democracy.

The actual programme of the French Revolution did not include democracy. Rousseau's theoretical sovereignty of the people was to be made subject to important limitations, and it was to control practical policy only at odd moments of sentimental fervour. The fathers of the American Constitution took as much pains to limit democracy as to proclaim it. With ourselves, the Reform Act of 1832 was never intended, at least by

its promoters in Parliament, to be a democratic measure—nor a first step towards democracy. It proceeded from the aristocracy and was, at the time, consistent with aristocratic government. But something happens with all these beginnings. They have laws of their own being. They tend to fulfil themselves. Their sequel turns out to be the very thing which their authors disclaimed. Man acts; natural law fulfils his action. Thus the offspring of Whiggism is Liberalism, and the child of a reforming aristocracy is democracy. Social organisation being for the wellbeing of the whole community, the will to which it is obedient in its actions must in the end be the will of the community directly expressed by majority rule. The political sovereignty by which alone the organisation can act tends to be democratic.

#### 4. *The Century of Individualism.*

The last century in England is known as the century of individualism, because during its two middle quarters in particular the pendulum swung far towards the extreme of individual liberty of the atomic or mechanical kind. The community as an organic unity, as the medium through which individual liberty has to be expressed, became a shadow. The oscillation passed from the hampering organisation of feudalism to the desolating anarchy of *laissez-faire*.

But even during the nineteenth century communal action did not disappear; towards

the end of the century, indeed, it became strong. The state had to protect the child from the factory, then the woman, then the young person; it had to provide education; it had to impose responsibilities like Employers' Liability and Workmen's Compensation upon the "free" employers; it had to regulate hours and conditions of labour; it had to legislate on matters of housing and public health. At the same time municipalities had to provide their own water, gas and tram services, their own houses, their own works departments, and, turning their attention to other interests, they had to open libraries, museums, art galleries, and arrange for concerts and recreations for their citizens, who, but for communal action, would have been kept away from culture altogether. Thus at the moment of the greatest triumph of anarchist individualism, the fact that man is a social being and that the mutual aid of a community is a necessary factor in individual liberty and progress, was asserting itself.

The individualism of the nineteenth century was indeed only a reaction from feudalism. At no time was it able to rule alone. When uncontrolled, it worked fearful havoc as is shown in the early chapters of our factory life. We are now at that point where these experiences are being systematised. They are no longer being regarded as the few exceptions to the working of another policy. They are becoming the main policy itself. We are being guided by the thought that

individualism<sup>1</sup> requires for its maintenance and development a well-organised and active state which will be the communal personality owning property, educating and controlling the individual, guarding his liberties, preventing the growth of economic interests antagonistic to him, co-ordinating those co-operative activities in which he must engage in order that he may be free and have the widest rational field in which to enjoy his liberty. We are not to go back to feudalism or to the village community. Were that so, no time need be wasted by any one in considering our proposals. He who seeks to turn back the leaves of history may be disregarded. The epoch of caste, of status, of silent and subordinate classes, is over. The individual, clothed in the equality which is the consequence of the Kantian ethical precept that every man has the right to be treated as an end in himself, has arisen. For him we have to provide a social system, for he, too, is gregarious and not solitary. He has the communal as well as the individualist personality. Hence it is that the French Revolution and the general movement of the human spirit to which it was a response, have handed over to us the task of reconciling

<sup>1</sup> I do not like to use this word because it is so misleading. When used as the antithesis of Socialism, the word means mechanical or anarchist individualism; Socialism is itself a theory of individualism because socialists contend that only under Socialism will men be free. For convenience, however, I use individualism in the popular slipshod way as the opposite of Socialism, because no other handy word will serve my purpose.



individual right and communal activity, individual freedom and social organisation, democracy and differentiation of political functions.

At this historical point Socialism is born, and its task is to effect the reconciliation.

## CHAPTER II

### ECONOMIC AND INDUSTRIAL

SOCIALISM is sometimes presented as though it were nothing but a proposal to make such economic changes in social structure as would eliminate poverty. This is only a partial statement of socialist aims, and yet it is true that the prevalence of excessive wealth and excessive poverty side by side is one of the chief causes of the success of the socialist propaganda.

#### 1. *To-day.*

Every town in the country affords some example of this contrast; every commercialist country in the world adds details to the picture. Apologists of the existing order sometimes excuse it, sometimes say that the individual is to blame, sometimes try and show that things are getting better. Mr. Mallock has been making guesses about family incomes recently for the purpose of showing that they are now fairly substantial and are

rising.<sup>1</sup> When the family income is not that of the "breadwinner" alone, it is a very flimsy foundation to give to progress. But even on such a foundation, strengthened as much as possible by generous estimates and by inadmissible statistical methods, Mr. Mallock has to admit that 350,000 families, containing 1,750,000 persons, have a total family income of £30 per annum—a sum which works out at a fraction over 2s. 3d. per head per week from which everything must be paid. There are in addition 1,200,000 with an average family income of £94 per annum. In this figure Mr. Mallock includes the incomes of the members of these families who are living out as domestic servants! Without them, the income is £71 or about 6s. per head per week, an altogether unsatisfactory figure and a somewhat miserable one even if it were earned by a single breadwinner. It is quite inadequate for bringing up a family. It gives no margin for sickness and unemployment, and from it can hardly be taken a rent sufficient to keep a comfortable house over the heads of the group. It certainly is insufficient to bear the cost of that innocent recreation and luxury which go to improve the quality of life. Mr. Mallock is an apologist, and his estimates must be accepted with appropriate care, but he has signally failed to disprove the assertions that a substantial percentage of our people have incomes inadequate to enable them to attend to their animal wants satisfactorily, and that a great part of our poverty

<sup>1</sup> *The Nation as a Business Firm.*

arises not from uneconomical expenditure but from insufficient income.

Fortunately figures of greater scientific value than Mr. Mallock's are at our disposal. Mr. Booth's and Mr. Rowntree's investigations have become so familiar that they hardly bear quoting. Mr. Booth found 35·2 per cent. of the people of the north and east of London living on a family income of under a guinea per week; Mr. Rowntree found that of the people of York nearly 30 per cent. were "living in poverty." Investigations in West Ham showed that only in a small percentage of cases did married women engage in home work when their husbands were earning enough to keep their families.<sup>1</sup> Inquiries conducted in Dundee,<sup>2</sup> Norwich,<sup>3</sup> and elsewhere substantiate the same conclusions. Many other sets of figures compiled by different methods are available and their meaning cannot be doubted. For instance, an investigation by Commissioner Cadman, of the Salvation Army, found that amongst the most unfortunate of their *clientèle*, 55·8 per cent. had lost their grip on decency owing to depressions in trade and 11·6 because they could not tide themselves over periods of sickness.

These facts are true of every industrial country. Great numbers of people are forced to live on incomes which are insufficient to enable them to make good their daily physio-

<sup>1</sup> *West Ham: A Study.* By E. G. Howarth and Mona Wilson.

<sup>2</sup> *Report on Housing, &c., in Dundee.*

<sup>3</sup> *Norwich: A Social Study.* By C. B. Hawkins.

logical waste and meet the ordinary accidents of life like sickness and unemployment.

But we can turn to another group of facts, and get another body of evidence in our support. The wages of the woollen operatives in Yorkshire have advanced but slightly since 1871, in some of the leading centres like Bradford, Leeds, Batley and Dewsbury, they have actually receded since 1874.<sup>1</sup> Mr. Wood has shown that for about half a century, up to 1900, wages in the following trades have not advanced: ironfounders in Warrington, Nottingham, London, Birmingham; engineers in Wolverhampton; Compositors in Huddersfield, Manchester, Reading; masons, painters, plasterers, slaters, coopers, in the South of Scotland; ship-painters in Hull, and so on.<sup>2</sup> Then if we turn to the figures published by the Board of Trade year by year,<sup>3</sup> they show that at the end of 1909, amongst the larger groups of labour, excluding agricultural labourers, seamen and railway servants, nearly £100,000 per week less were paid in wages than in 1900, whilst increases in 1910 only improved the 1909 figures by £14,000, so that the workers to-day are still well over £80,000 per week less well off in respect to wages than they were in 1900.

Every reliable investigation that has been conducted into our social conditions reveals

<sup>1</sup> See an interesting article on the subject in the *Socialist Review*, Nov. 1910, by Henry Willmott.

<sup>2</sup> *Economic Journal*, xi., pp. 151-6.

<sup>3</sup> *Report on the Changes in Rates of Wages and Hours of Labour*.

an appalling amount of poverty and a still more appalling bitterness in the struggle for life under sordid and heartless conditions. Practically the whole of the vital energy of more than half of our people is consumed in providing bread and butter for their stomachs and a shelter for their heads, and then they do not always succeed.<sup>1</sup>

Nor is the reply that poverty is a self-inflicted wound very decisive. It is true that drunkenness brings misery upon individuals. The wasteful man must come to grief whether he be rich or poor. But intemperance—to select only the most frequently discussed source of personal poverty—is not the cause of social poverty. Its chief effect is to select the victims of poverty. For there come to all slackness of work and misfortunes of many kinds, and the most that thriftless expenditure does is to determine who are to be completely, and who partially, wrecked in the hard times. It is said that if every penny which finds its way into the pockets of rich and poor were well spent, every man would face the rainy day with an umbrella over his head, and the slack time with something in the savings bank. Only to a small extent is this true. The best

<sup>1</sup> American conditions, despite the newness of the country and the vast extent of its territory, show the same features. One-eighth of the families of the United States enjoy seven-eighths of the wealth of the country; and investigations conducted by the New York State Conference of Charities and Correction in 1906-7, by the Massachusetts Bureau of Statistics and by private inquirers in other states show that great masses of the town workers of America have incomes which come considerably below the efficient subsistence minimum.

form of saving which the majority of our working classes can practise is the art of useful expenditure upon themselves and their families. Their incomes are too small to bear any other form of thrift. The reason why so many of those who practise thrift—meaning by that, saving—are unattractive and even repulsive, is that they have not spent enough on themselves to allow their personalities to grow. They have been banking not real savings but capital which they ought to have spent on their personal development. They are hampering their own growth by choosing to remain under-nourished—especially in mind. The true practice of thrift for a man with a family and thirty shillings per week as an income, is not niggardly saving but wise expenditure. Such expenditure would increase the volume of demand for productive labour, but it would not put an end to unemployment or to slack times and sickness. During these times the thriftless man will suffer most, because he has probably destroyed his nerve and skill and is unreliable to boot, and because he is exposed straight away to the full blast of the cutting wind of adversity. But the temperate man is also discharged, and if he may be rarely seen in unemployed marches, he is found by those who know how to seek him in his seclusion, before a cold grate and an empty home. The cause of poverty is social; but personal conduct often determines whether this man or that is to be the victim and how deep the poverty is to be.

Statistics on such an intricate subject as

the play and counter-play of social and personal causes of poverty are of course difficult to compile. But various authorities have attempted to supply them. Commissioner Cadman says that 26·6 per cent. of those who come to Salvation Army Homes have been wrecked financially by drink and gambling. Mr. Rowntree commits himself to no figures regarding York, but puts drink and gambling, together with bad housekeeping, as the first of the causes which produce secondary poverty from which 13,000 persons out of a total poverty-stricken population of 20,000 are suffering. Mr. Charles Booth worked out, from a certain number of investigated families, that 14 per cent. of the A and B classes of poverty was caused by personal habits, and 13 per cent. of classes C and D, whilst "conditions of employment" accounted for 55 and 68 per cent. of the poverty in these classes respectively. I would be the last to seek to belittle the evils of drunkenness, but it must be reduced to its proportions. The Socialist movement in practically every country in the world has declared war upon drink, and at the International Congress at Stuttgart the question was considered. Nor must it be forgotten that the effect of social pressure is to increase the activities of those cravings and appetites which reduce individual efficiency and so create individual poverty. Did not the worldly-wise writer of the Proverbs<sup>1</sup> say: "Let him drink and forget his poverty and remember his misery no more."

<sup>1</sup> Chap. xxxi. 7.

As we have traced the rise of the democratic state, so we must now trace the rise of the modern industrial state, of which this poverty is a result, and from which the way to Socialism opens out.

## 2. *Revolts against Poverty.*

Just as we have seen that the demand for individual freedom disturbed the feudal community, so do we find that the prevalence of poverty led to protests against economic changes which sometimes ended in riot, but which sometimes produced Utopias. So long as the man was a serf or was a charge on the soil, his poverty was accepted as his lot, because it rarely became so oppressive as to be intolerable. It was his status. He had his bed and his food and his clothes, and he expected nothing more. But the economic state of villeinage had to pass. Commerce grew between market and market, and country and country. Profits were made by bankers, manufacturers and merchants. The aristocracy planted on the land tended to decay on account of new economic and political conditions and the consequent rise of a plutocracy of wealth; and the personal relations between squire and cottar tended to disappear as new ways of using land, which were more profitable to the owners than the old ways, offered themselves. As some writer once said: Agriculture from being the winning of subsistence became a making of profits. In addition to this, as peace began to settle in



the land, the old aristocracy had to resort to extravagant expenditure in order to keep up appearances. Their work was done and they had to fall back upon badges as a sign of authority and status. This meant money, whilst their old economic relations meant comparatively small personal incomes. So they had to employ their lands in such a way as would yield them a higher revenue. Thus, whilst standing by all the outward appearances and the political and social structure of feudalism, the landed classes abandoned their social relationships and followed more and more closely the profit-making ways of the capitalism which was coming to rule the land.

The first uprising of the poverty-stricken in England came from famine and preaching. Whilst the third Edward was glorying in his shameful extravagances and follies, the shadow of plague was creeping westward over Europe. At the end of 1348 it fell upon England. Half the population died and social life was paralysed. The fields returned to their original wildness. The very beasts sickened and died too. After the horror came reaction. For a long time the workman had been drifting towards the status of a hired labourer, and was being pushed into the position of a landless and propertyless man without a guardian. After the plague, he found himself in an advantageous position, for he was a man whose services were sought, and not one who was trying to find an employer. He forced up his wages; in his moods of sportive independence or care-

less laziness he became a "sturdy beggar." But he was not allowed to enjoy the advantages of his economic position for long. Legislation in the form of the Statute of Labourers thrust him back into his subordinate and servile status. His political impotence rendered his economic strength useless. Civil discord ensued. A thousand grievances added fuel to the fire. The memory of generations of hardship such as is described by the authors of *Piers Plowman* put rebellion in the hearts of the people, and the disturbances called the Peasants' Revolt occurred.

A similar state of things occurred a century and a half later, in the time of Henry VIII. Ecclesiastical property had been secularised and it bore no longer its heavy burden of charity. As in the days of the Peasants' Rising religion inflamed want and quickened a sense of injustice. The land labourer had become free, and had found that freedom meant that he was allowed to wander on the roads and starve. He now had no certain income. Lands were let for sheep rearing, common fields and wastes were enclosed, tillage was being greatly reduced. An address to the king and parliament, written at the middle of the sixteenth century, tells how there were "fewer plows by forty in Oxfordshire. Each plow kept six persons. Now there is nothing but sheep. These 240 persons must live—where shall they go? Some of these are driven to beg, some to steal."<sup>1</sup> A revolution, greater than the later change which is

<sup>1</sup> Early English Text Society, Extra Series, XIII.

known as the Industrial Revolution, then happened. "The production of wealth, instead of being merely a means of subsistence, became an end in itself or a means to political influence." The spirit of commercialism had taken a firm hold of England. The landlords laid their hands on every acre they could appropriate, and imposed as large rents upon them as they could get. Employers placed impediments in the way of their journeymen starting in business, substituted juveniles for journeymen, and concentrated their attention on their bank balances. Rents were raised, wages reduced, privileges curtailed. In the introduction to his *Utopia*, Sir Thomas More describes the state of the people. The rich kept a train of idle serving men, and turned the poor who became sick or old out of doors because they could not maintain both. Thus the number of robberies increased. The poor man grew ragged and pale-faced, and then no one would employ him. The argument that large numbers of fighting men had to be maintained is ridiculed by More, and met. Both in the statement and the reply these paragraphs are wonderfully modern. But the greatest grievance of all was: "Your sheep that were wont to be so meek and tame, and so small eaters, now, as I hear say, be become so great devourers, and so wild, that they eat up and swallow down the very men themselves. They consume, destroy and devour whole fields, houses and cities: for look, in what parts of the realm doth grow the finest, and therefore dearest wool—there noblemen and

gentlemen, yea, and certain abbots, holy men no doubt, not contenting themselves with the yearly revenues and profits that were wont to grow to their forefathers and predecessors of their lands, not being content that they live in rest and pleasure, nothing profiting—yea, much noying the weal-public, leave no ground for tillage: they inclose all into pastures; they throw down houses; they pluck down towns and leave nothing standing, but only the church to be made a sheep-house." The increasing numbers of sheep did not, however, lead to a reduction in the price of wool or of mutton, because "they be almost all come into a few rich men's hands." It was also more profitable to buy store cattle abroad and fatten them in England, and this, too, meant less work and village depopulation. "Thus, the unreasonable covetousness of a few hath turned that thing to the utter undoing of your island, in the which thing the chief felicity of your realm did consist." More refers to hospitality, which the poor could no longer afford and the rich were making too lavish and vicious.

This is the opening of a new epoch in the history of English poverty. The landless man appears for good. The ownership of the soil no longer carries with it the heavy social obligations to maintain men on it. The labourer becomes a mere convenience in profit making, to be employed when it suits the landlord and farmer, and to be turned upon the road when his labour is not profitable.

Moreover, both preceding the Black Death

and in the time of Sir Thomas More, the grievances of urban unemployment had been felt. Parliament had to consider it, and in More's days there was an agitation, which smacks of very modern error, on the ground that Englishmen were being supplanted by foreigners, and there were, also very appropriately to complete a parallel with modern conditions, May Day riots in London.

But one other epochal change had to pass over England before Socialism arose. England had to undergo the Industrial Revolution. The world had to become the market for our goods and the source of our supply of food and raw material. The forces of nature had to be harnessed to production, and mechanical contrivance had to supplement manual labour. The people had to be ingathered into great centres, their labour had to be subdivided and co-ordinated in great factories. Capital had to be concentrated and the day of the large industry come, before Socialism, as a scientific hope and a practical guide, was possible.

### *3. The Rise of Capitalism.*

The Industrial Revolution is the term applied to the change which came over industry when mechanical appliances led to the factory system and the specialising of factory labour. There were rich men before that happened, but they belonged to the class of merchants and financiers rather than to that of manufacturers. And when the Indus-

trial Revolution came, the manufacturer was not specially wealthy. He lived, as a rule, like a workman enjoying a substantial income. But wealth rapidly accumulated in his hands. He drew away, both in his social status and his ideals, from the people from whom he came. He formed a plutocratic class all by himself. The influence of the change was enormous. The aristocracy opened its doors to the new rich, for the aristocracy needed money. The exploiters of the virgin soil of America, its speculators, its financiers, supplied the incomes which our aristocracy required; our own rich families acquired titles. Nominally birth was retained as the hall mark of aristocracy, but wealth was in reality its foundation. Thus it has come about that the social effect of the Industrial Revolution has been the establishment of customs and distinctions which depend solely upon the possession of wealth, and which have led to the use of that wealth in selfish and anti-social directions. Wealth divorced from social responsibility, but held and used purely as a personal possession, has divided society into the two great separate kingdoms of rich and poor, each living its own life and very rarely coming into contact with the other. Slumming, charitable activities, patronising interferences, have taken the place of those personal relationships which used to exist between hut and hall before the feeling of social solidarity was destroyed by a huge factory and town population, the clearance of the people from the soil, and the class distinctions which

became the chief desire of the plebeian rich. Thus public spirit and responsibility have become weakened, and we have less guarantee than ever that the control of wealth is to be other than purely selfish. Moreover, whilst the moral relationships between rich and poor have been weakening, the power of wealth has been increasing by leaps and bounds. This increase must be traced out, as it is an important link in the chain of socialist evolution.

Although the conflict between capital and labour began very early in our industrial history, and the employer never seems to have been unwilling to beat down wages to competitive levels,<sup>1</sup> it was not till the eighteenth century had well advanced to its close that the two classes of capitalists and workmen became separated; that the journeyman began to become obsolete, and that the chance of a substantial proportion of the wage-earners becoming employers in due time tended to disappear. Mechanical invention increased the amount of capital required in business, the extension of the market intensified competi-

<sup>1</sup> For instance, Macaulay refers in his *History of England* (vol. i., p. 204) to a ballad sung on the streets of Leeds and Norwich and now preserved in the British Museum, as "the vehement and bitter cry of labour against capital. It describes the good old times when every artisan employed in the woollen manufacture lived as well as a farmer. But these times were past. Sixpence a day was now all that could be earned by hard labour at the loom. If the poor complained that they could not live on such a pittance, they were told that they were free to take it or leave it."

tion, and led to the organisation of a huge and a complicated system of exchange, factory-methods of work narrowed the skill and the outlook of the wage earners; thus the separation between the two economic classes became permanent and well defined. In the days of the hand-loom and the spinning-wheel there were poverty, child labour, and social distress, but the conditions under which they occurred were not so crushing, and they did not throw such a long and a black shadow across extended periods of life as they were destined to do later.

The history of this movement of the separation of economic classes is, first of all, a history of the guilds. Originally a commercial union with religious sentiments and some political powers, the growing division of function between capital and labour destroyed the industrial catholicity of the first type of guild, the merchant guild, and raised opposition to it amongst the craftsmen. To begin with, the craftsmen won, but the gulf between the capitalist who had wealth, and the labourer who had only skill widened apace, and the guilds again drifted into positions of economic privilege and antagonised the poorer workmen. The merchant guild had given place to the craft guild, qualification for membership in which consisted mainly in having served an apprenticeship to a craft or mystery. The function of the guild was to regulate the trade in the interest of the craftsmen. But all such organisations have an evolution. They arise to satisfy a need; they succeed; they



decay through a period of abuse. Thus it happened that the craft guild, too, became a close corporation, and its powers to regulate trade were used for the purpose of securing monopolies—a movement exactly parallel to that of modern capitalism, though the methods differ. For two centuries, ending about the middle of the sixteenth, the craft guild rose and sank. Outside it had grown up a new class of men who depended upon hire, who were not a craft aristocracy, who could neither amass money nor gather together stock, who had no land and who often worked with supplied capital. The guilds interfered with this class, not for the purpose of helping it, but of suppressing it. Entrance fees were raised against it. By the end of the fourteenth century, the journeymen, accepting their status as the final one which they were likely to experience, and, assuming that the crafts were barred against them, had formed some fraternities of their own.<sup>1</sup> By the middle of the sixteenth century the guild had broken down, and legislation began to take the place of its statutes. But the landless and propertyless hired servant became common, and he in turn formed his guild in the shape of a trade union, when the factory system and the town system gave him a chance to do so, and the final separation of the labour and the capitalist

<sup>1</sup> In 1387 the “serving men of the London cord-wainers” were accused of trying to form an independent fraternity, and similar complaint was made against the saddlers in 1396, and in 1415 against the tailors. (Webb, *History of Trade Unionism*, pp. 2-3.)

classes compelled him to abandon the assumption that his industrial advancement was more likely than not. The employer had moved into another social stratum, and "born a workman, die a workman" became the guiding thought of the labourer's life.

Up to the time of the Industrial Revolution the capitalist producing class was not a rich class. The industrial system was then domestic, and the craftsmen, as a rule, owned their own tools, just as a carpenter owns his kit to-day. The competition of the power-loom with the hand-loom in cotton manufacture was not severe up to 1812, and as late as 1834 there were only 733 power-loom workers to 7,000 or 8,000 hand-loom workers. In the woollen and linen industry power-looms were in little use before 1840. In spinning, mechanical power and factory conditions came somewhat earlier. In 1833 there were three spinning mills in Manchester, employing 1,400 hands each, eight employing from 500 to 900, eight from 300 to 500, and 17 from 100 to 300.<sup>1</sup> Mr. Andrew, in his *Annals of Oldham*, tells of his uncle, who owned a carding engine in a factory (power was then let out to individual owners of engines something in the way that power is still let out to the owners of stands in Sheffield cutlery workshops) in 1809, and who created "a great hue and cry in the town" when he became the owner of a second.

Professor Marshall illustrates this point by comparing the relative value of tools and

<sup>1</sup> Butterworth, *History of Oldham*, p. 118.

wages now and formerly. The textile operative used to employ tools equivalent in price to but a few months of his labour, whilst in modern times there is a capital in plant of about £200 for each man, woman and child in a textile factory. The cost of a steam ship is equivalent to the price of the labour for ten years of those who work her, whilst the railway servants operate capital valued at perhaps twenty years of their wages.<sup>1</sup> In 1845 M'Culloch estimated that the fixed capital in good cotton mills was no more than equal to two years' wages of an operative; Marshall's figures work out at five years' wages.

This brings us to a new stage.

#### 4. *The Fulfilment of Capitalism.*

The increase in the amount of capital used led to a revolution in the ownership of it. Industrial capital used to be owned by those who used it. The employer was the capitalist. But obviously one man cannot own the Midland Railway, or one of the huge modern engineering concerns like Armstrong, Whitworth & Co. So it has inevitably happened that the capital required for these huge undertakings is procured from a wide area of capitalists. Thus the limited liability, or joint stock, company arose to mark a further stage in capitalist evolution.

The constitution of these companies is quite familiar. Their capital is raised in the

<sup>1</sup> *Principles of Economics*, pp. 302-3, 4th edition.

form of shares, it is controlled by a board of directors, generally by a managing director, and those who have provided it have practically no voice in the management of the business. Shareholders' meetings are held occasionally, but apart from the fact that many shareholders never attend these meetings, the power which the shareholder has does not amount to much more than to express gratitude or to grumble. Except at a crisis the directors, working within the bounds of the articles of association, hold an absolute authority.

Thus, one of the first results of the concentration of capital in industrial undertakings has been the supplanting of the individual and responsible capitalist by the official agent who represents many capitalists. The "captain of industry" is thus no more a man working with his own capital, but an agent working with other people's capital, and the capitalist himself is ceasing to be a business man and is becoming a mere financier. This change from personal to impersonal capitalism, from ownership control to agency control, is another important link in the chain of socialist evolution and argument.

One erroneous deduction from this change ought to be disposed of at once. It is often assumed that under a system of joint stock companies the dividends and profits previously made by a small class of industrial capitalists are spread over a wider field, and a better national distribution is thus secured. Elderly ladies with small savings get an income from

building societies, clergymen eke out modest incomes derived from their calling by sharing in the profits of brewery companies and tied houses, clerks dabble in the gains of rubber companies, and so on. This, however, does not mean nearly so much as appears on the face of it. The list of shareholders in public companies is long, but the duplicates are enormous. No thorough attempt has ever been made to eliminate these duplicates so that we may know what number of separate individuals have invested their money in these companies, but, judging from one's personal knowledge, the net number of investors must be very substantially smaller than the gross number. The shareholding financier in his turn becomes a class with a solid nucleus of great controlling magnates and a more or less unimportant fringe of comparatively poor people.

Moreover, it is clearly proved by every official and reliable publication that wealth continues to accumulate at one end of society, and that whilst the middle slowly improves, the other extreme is either stationary or is losing ground. Thus, on an average for the five years up to 1903-4<sup>1</sup> the net value of dutiable estates left at death was £276,000,000, and of these only 17,000 were of less value than £100. For the year 1909-10, the net value of these estates was £283,660,000, and the total of the 71 estates of a quarter of a million and over was not less than £59,160,000. Though it is true that over long periods the

<sup>1</sup> *Riches and Poverty*, p. 48, Chiozza-Money.

condition of the better class of artisan and the lower middle class improves, it is subject to considerable fluctuation owing to times of unemployment and bad trade, and to increases in the cost of living. To-day, at the end of 1910, these middle social strata are not so well off as they were at the beginning of the century. There have been losses in wages and rises in prices in the interval, and rents continue to take more and more out of working-class pockets. Relatively to the modern combinations of capital, combinations of labour tend to weaken, and the upward pressure which the workman can exert on his status is less effective than it was.

Nor must we forget that the joint stock company means that every industrial improvement is capitalised, and that, in consequence, the amount of capital borne by industry tends to keep pace with profits so that labour finds it increasingly difficult to secure an improving share in national wealth. Any successful limited liability company supplies an illustration of this argument. Let us suppose that a company is floated with a capital of £20,000, and that it pays a dividend of 10 per cent. Under the old system of the employing capitalist, a portion of this 10 per cent. was available for increased wages. But under the public company system a shareholder sells his shares at perhaps double the price he paid for them. Thus, although the business has never absorbed more than a capital of £20,000, it is in reality carrying a burden of £40,000; nominally it

is paying 10 per cent., it is actually paying its new shareholders only 5 per cent. The margins are immediately capitalised; profits are not available for improving the business itself, nor for increasing the wages of the employees; rapid capitalisation acts as a sponge and sucks up the life sap of the enterprise. This can be seen by the study of any handbook on public companies which gives the actual dividends paid on the current price of stock. These figures work out at something about 4 per cent.

Over-capitalisation is the direct result of the joint stock phase of capitalist control. It has been estimated that the over-capitalisation of American railroads is from 50 to 200 per cent. of their actual value. The Sugar Refining Company is capitalised at three or four times its actual value, the Felt Company at ten times, the Steel and Wire Company at three times, the Standard Oil Company at six times. Our own large companies are not quite so free to over-capitalise themselves as those of America, owing to our Free Trade system, but our railways, our shipping combines, our large stores, some of our manufacturing trusts, are carrying far too heavy financial responsibilities, and the public suffer grievously in consequence.

Thus the weight of capital on industry becomes excessive, the exploiting investor becomes all-powerful, and though the statistics of incomes may improve in appearance, as a matter of fact a system of distribution is being established which must ultimately

produce impoverishment for every creative factor in national prosperity.<sup>1</sup>

### 5. *The Small Capitalist.*

In this way the trust grows and another stage begins. Capital is carnivorous and preys upon itself. Competition is self-destructive.<sup>2</sup> A point is reached in the concentration of capital when war between

<sup>1</sup> This was never put with more honest and callous candour than by the President of the American Sugar Trust, Mr. H. O. Havemeyer, when examined before the American Industrial Commission. "The policy of the American Sugar Refining Company," he said, "is to protect its trade, and if it resulted in crushing a competitor it is no concern of the American Company; if he gets in the press, that is his affair, not ours." Then he was asked: "And if any one interferes with the business, profits, or competition of the American Sugar Refining Company, it is its policy to prevent it if possible?" He answered: "By lowering profits to defy it." "And if it results in crushing him out?" "That is his affair."

<sup>2</sup> Perhaps the most conclusive proof of this argument has been supplied by Mr. Mallock in a book written with the intention of disproving it. In *The Nation as a Business Firm*, Mr. Mallock analyses national income for the purpose of showing that it is better distributed than it was, and that those who have told us that it is very inequitably distributed are wrong. He deals with family incomes only. This in itself is open to grave objection from the scientific point of view, and he further stretches figures and arguments in order to make his families as affluent as he possibly can. But what are his conclusions? They are that 855,000 rich people take £400,000,000 per annum, that 12,150,000 comfortable people take £571,000,000, and that 29,895,000 wage-earners take £773,000,000 per annum. This apology for the existing order sounds little better than a confession of the truth of all the condemnations that have been uttered against it.



rival firms entails such loss and such risk that peace is signed between them. They either define the limits of their activities, as a certain well-known thread combine has divided the great markets of the world between its various sections, or they pool their profits or come to some other mutual arrangement regarding their disposal, or they amalgamate under one management like the American Steel Trust. They also proceed to control subsidiary industries—as the Steel Trust controls not only rolling mills and furnaces, but iron ore quarries and steamship and railway lines required for the transport of its material. So the grip of capital upon industry tightens, and the empire of finance widens.

We are sometimes told that along with this concentration there is also a growth of small businesses. But regarding this point, two observations have to be made. A great bulk of these businesses are casual. They are kept going by consumers who have special needs—little shops keeping open late, shops that give credit, shops that deal in special lines, small manufacturers who for some reason or other produce economically, or who are engaged in work that does not require much capital or that does not depend upon machinery, or that is artistic and, therefore, individual and not mechanical in its nature. The second observation is that the small capitalist, even though he may increase in numbers, diminishes in industrial importance. More and more absolute in trade and commerce becomes the rule of the large capitalist, the syndicate,

the trust, the universal provider. He will never gather all trade unto himself. Indeed, one can foresee that with an improvement in taste and a strengthening of individuality, machine production of articles of personal use will diminish rather than increase; but even then, the facilities for transport and the convenience of great central stores, like the modern Whiteley's, will secure the survival of capitalist concentration in the distribution of these articles of taste, and a concentrated system of distribution will secure a concentrated system of production. For instance, the "artistic" productions in cabinet-making sold in some of our department stores are made in workshops which themselves are small, but which depend for their existence solely upon the patronage of these stores. The warehouse system in the boot and shoe trade is of the same nature. Hundreds of small manufacturers bring their products once, or oftener, a week to these buying warehouses connected with thousands of centrally controlled shops open all over the country. The manufacturer remains a "small" man, he depends upon the warehouses for his existence, he is generally financed by them, his profits are often not more than wages, he is practically in the position of an employee, his profits are cut down by an operation of economic law which, in respect to him, is far less curbed and controlled than it is in respect to the ordinary factory workman who is a member of a trade union. The statistics of independent capitalists and employers must therefore be read with

much reservation, or they will convey very false meanings.

### 6. *Summary.*

We are now in a position to summarise the processes of the evolution of capitalism during the Industrial Revolution, and to state the law of that evolution.

Capitalist industry begins with competition, and the law of the survival of the fittest comes at once into operation. From this emerges the law of concentration and co-ordination. Competition ends in the domination of the surviving few, and in the widening of the sphere of control of the capitalist unit. Trades which depend upon each other tend to be organised together and to be controlled as one unit.

But whilst this concentration of control is proceeding, the employer working with his own capital tends to disappear; the investor comes upon the stage, industrial capital is drawn, not from one bank balance but from many bank balances, and the control of industrial capital, and hence of industry, passes into the hands of agents. The industrial mechanism ceases to be personal and becomes impersonal. It is a hierarchy of managers and directors.

That is the law of capitalist evolution, and at that point we now find ourselves. The problem with which we are faced is not how to maintain competition, but how to control monopoly.

## CHAPTER III

## THE ECONOMIC FAILURE OF CAPITALISM

WE are now in a position to discuss the practical working of capitalist industry. We start from the assumption that the processes of production are undertaken for the purpose of ministering to the needs of the people. Clothes are made to clothe, houses to house, food preparations to feed; the products of foreign lands are imported to add to our comforts. The test which must be always imposed upon any system of production is: Does it fulfil those ends? And that must be supplemented by another test: Does the system under consideration do its work economically or wastefully? Let us apply the second test first of all.

1. *Rent.*

We shall arrive at clear ideas on this point most readily and conveniently if we consider how various economic classes gain an income, and we shall deal with the owner of land—the rent receiver—first of all.

Income from land is not of the nature of reward for services rendered. It used to be. Land was granted by the sovereign to his captains who, in return for their possessions, rendered military service to the state, and in addition paid certain taxes so as to provide the king—who was the embodiment of the state—with what income he required. The land was then held in trust for the state,

and that theory underlies the whole of our ancient land legislation and taxation. But as the character of the state changed, the land-owning trustee was transformed—or, strictly speaking, transformed himself—into an ordinary owner. His obligations were diminished and disappeared, his special taxation was whittled down and, though legal and judicial theory retained its ancient assumptions, the practice grew up of treating the land as the subject of ordinary private possession.

Now, it is from the land that we derive all the primary raw materials. It is the soil which the agriculturist needs, it contains the ores and the minerals of all our vast mining, quarrying, smelting trades; upon it must be built our factories, our warehouses, our houses; it is still, with the exception of the high seas, the foundation of our transport industry. If it were closed against us, every industry in the country would be paralysed and we should die. Upon this fact, income from land depends. "I can prevent you from working, from building, from mining, from living," says the landowner. "From the proceeds of our labour and our skill," reply the rest of the community, "we are willing to pay you to allow us to work, and build, and mine, and live." And so rent is paid and the landowner gets an income. It was Adam Smith who wrote: "Rent is not at all proportioned to what the landlord may have laid out upon the improvement of the land, or to what he can afford to take, but to what the farmer can afford to give."<sup>1</sup>

<sup>1</sup> *Wealth of Nations*, chap. xi.

Some parts of the land have special values. Some land adjoins rivers, like the sites of London and Liverpool. The transport trades must use it or nothing at all. Rutland is useless for shipping companies; the marshes around Leicester cannot be turned into docks. Some land contains certain minerals. Middlesex is of no value to a mining company desiring to put coal on the market. Some land is in the highway used by streams of people. A Buckinghamshire village is no use to a Whiteley. Some land is of one texture, other of another. The clays of the Thames Valley will not suit the requirements of Lincolnshire potato growers. Thus the differences in the quality of land and in its natural advantages determine where towns are to be, where different kinds of food are to be grown, where there are to be factories, where there are to be mines, where there are to be green fields, where there is to be a Black Country. This in turn determines that rents are to vary. But however much they vary, they are all of the same economic nature. They are the price paid to the landowner by the community—for it is really the community of consumers that pays and not the individual—to induce him to allow his land to be used at all.

The owner of land is thus in the position of a man who holds the keys of life, and he consequently can exact a maximum toll as his price. He does so. Rent therefore tends to absorb every social improvement that can be turned into an advantage in the exchange

market. A marsh outside a town is drained, up go rents; a tram-line is laid into the outskirts of a town, up go rents; a mining-shaft is sunk and a specially profitable seam of coal is struck, up go rents; the industrial prosperity of a town improves, up go rents; the people of a town acquire the habit of shopping in certain streets, up go rents; peasant intensive cultivation is shown to be profitable in certain directions, up go rents; free education is granted, up go rents.

The amount of rent is determined by the capacity of the community to buy, not by the value of the services rendered by the owners. It is a measure of monopoly. That a community which has improved its streets and educated its people should allow the possessors of its land to secure for themselves the financial counterparts of these benefits can have no justification either in reason or in morality, whilst from the point of view of economy it is waste.

Be it noted, however, that Socialism does not oppose rent, it only objects to rent belonging to private persons. These values are real. A shop in a frequented thoroughfare has a higher economic value than a shop in a back street; fine river loam has a higher agricultural value than sodden and heavy river clay; as the margin of cultivation widens the value of the old cultivated lands increases. Some one must benefit by economic rent. If it goes to the fortunate shop-keeper, as the advocates of leasehold enfranchisement used to claim, he is receiving

something which neither his labour nor his skill created; if it goes to the farmer on the long-cultivated fields, he is receiving a benefit which he has not earned. Its origin lies in the nature of things; even when it arises in consequence of the expenditure of capital on, say, a street improvement or on a tram-line, it is much more than interest on capital. When Moses struck the rock, the water that gushed forth and the streams which followed his people through the wilderness in consequence, being far more than the reward of his labour, could not justly be subject to the economic laws of private property. When a London Railway Company laid its lines through Buckingham and opened out wide fields upon which part of the population of London might spread itself, it put fortune after fortune into the pockets of landowners and speculators. That was not done by the expenditure of the Railway Company's capital, because the company might have tunnelled Ben Nevis instead of the Finchley Hills and no new values would have been created. It was caused by the fact that there was a community ready to use the capital in the form of a railway and put itself in the power of the landowners who lay in wait for the exodus beyond Finchley and Harrow. The only just repository for such values is the communal exchequer. They are the natural source from which the cost of government and the development of communal action ought to be met. Every valid reason that can be urged in favour of personal



property can be used in favour of communal property. The community has created the values, and it needs them in order to continue a free existence. But to-day they are handed over to private individuals who are parasitical sharers in national wealth.

## 2. Interest.

Incomes derived from invested capital are not so easy to classify. The Ricardian dictum that all wealth is created by labour is not exactly true. It carries one much further than the statement which is true—that no wealth can be created without the service of labour.<sup>1</sup> But there is much wealth

<sup>1</sup> A good deal of profitless attack upon socialist economic theory has taken place on this subject. The doctrine that all wealth is created by labour was laid down by Ricardo, though not by him in the first place. It was one of those abstractions which the liberal economists were fond of making for the purpose of simplifying their arguments. Marx took it from Ricardo, though not in the form generally supposed. Mr. Mallock, for instance, makes much of this, whipping it with the scorpions of his scorn. How the whipping is done may best be shown by parallel statements.

Marx's theory as stated  
by himself.

“By labour power or capacity for labour is to be understood the aggregate of those mental and physical capabilities existing in a human being, which he exercises when he produces a use value of any description.” *Capital*, I., p. 186.

Mr. Mallock's rendering.

Marx asserts that the measure of exchange between one class of commodities and another . . . is the amount of manual labour, estimated in terms of time, which is on an average necessary to the production of each of them. *Critical Examination of Socialism*, p. 12.

which labour cannot create without the aid of capital. A man can go into the forest and tear boughs off trees with his hands for his fires, but he cannot fell trees without an axe of some kind, which is capital. Capital, therefore, has its value, a simple fact which means that under the freest economic conditions, interest will be paid. It may be interest of five per cent., it may be of a tenth per cent., but the utility of capital in production will always have an appreciable value which the labourer who uses it will pay without suffering exploitation or injustice. Interest is therefore not of the nature of a monopoly toll. It is a payment for service rendered. This we may call pure interest. Risk may determine its amount, but no consideration but this can justify its existence.

But everything called interest is not of this nature, as a study of some businesses will show. Money-lending has acquired an evil reputation because many of its transactions are of the nature of illicit operations. It lives under great risks; its victims are in unusual straits, and in relation to them it is almost of the nature of a monopoly because their chances of succour are so few; it deals with a class of reckless borrowers who are willing to sacrifice the whole of the morrow for a moment of pleasure to-day; it is often dishonest. When we allow it high

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It is true that Marx believed that qualitative labour could be reduced for his purposes to terms of quantitative labour, but that is a totally different matter, and does not justify Mr. Mallock's misrepresentation.

interest to cover its risks, its income is still excessive and is exploitation.

If we consider some of the recently formed trusts we again discover incomes which cannot be justified on grounds of public interest. The capital of £34,000,000 which the Mercantile Marine Company carries is generally held to be too great. If interest were paid on it, the community would have to bear excessive freight rates; if interest is not paid on it somebody's money has been transferred into somebody else's pocket. The lending of such capital is not an assistance to but a hampering of enterprise. It is as much a waste of capital as was the old hoarding of money in a stocking, and it is far more detrimental to industry. Another source of capitalist incomes has been the forcing and keeping up of prices above economic levels. Thus the price of sugar in America has been kept up by the trust in spite of great improvements that ought to have reduced prices. The same is true of oil, and the whole world is groaning under the Meat Trust. The policy of Protection greatly enhances these incomes. They are all of the nature of exploitation.

Similarly a substantial proportion of incomes made on Stock Exchange transactions has no justification. The Stock Exchange itself is a necessary institution and will continue to be so for a very long time to come. It is an organisation for the exchange of capital, a market for investments. But instead of being one of the organs of the

industrial system, it is manipulated and controlled by financiers who influence prices and exchanges to suit their own interests. The manipulation of capital exchange has become a business which is parasitic upon industry although the institution through which the operations are carried on is necessary for industry. The rubber boom which took place in 1910 is a typical example of those activities. It resulted in no fewer than three injuries to trade. An important industry was unsettled by feverish speculation; it was burdened with unnecessary capital; the price of its products was forced up. Thus the incomes derived from these transactions more nearly represented a measure of industrial loss than of industrial service and gain.

These are but examples, and they by no means exhaust the catalogue of anti-social sources of interest and successful business transactions which represent waste and exploitation. Such a catalogue would specify hundreds of ways of making an income, from dealing in slum leases to trading on bankruptcy stock, from shipping rings to sweating wages.

### 3. *Waste of Capital.*

In addition to the specific instances of anti-social sources of income which I have given, I must comment on the general wasteful effect of the system as a whole. One of the chief characteristics of competitive com-

mercialism is its chaos. It has no system at all. A B and C engage in competition with each other. Nothing but capacity of output or danger of bankruptcy limits and controls their activities. They pour upon the markets their goods; they manufacture their stocks in expectation of orders which may or may not come. They take work-people from other employers and callings, and may have to discharge them at the end of a week. Production is theoretically for the feeding and clothing of the people, but conducted as it is to-day by rivals who seek to stuff their victims and bury them under clothes, and who only stop their mad follies when the markets are choked, and when a paralysed industry tells them in words that cannot be mistaken that they must stop, it results in industrial disorder, uncertainty and poverty.

Hence, it is true not only of over-capitalised trusts that production is bearing too heavy burdens, it is true of industry in general. There is far more capital in use than is necessary for efficient production, and for that competitive commercialism is to blame. An oft-used illustration of this is a comparison between the duplicating and overlapping milk-carts and barrows that are dragged up and down our streets of a morning, and the organised and non-competitive system of selling postage stamps. A well-organised milk trust run in the interests of the consumers would reduce the price of milk, diminish the amount of water in it, and improve its quality, not because it would eliminate

the dishonest trader, but because it would effect substantial economies. We might pension off every superfluous middleman and yet society would not be poorer but richer as the result. It is because this is true that trusts can economise even with a top-heavy burden of capital.

It was stated when the American Wire Nail Association was formed in 1895, that the machinery then working in the country could produce four times the quantity of nails for which there was a demand. When the whisky combination was formed, also in America, it took over eighty plants and found it could produce up to the demand with twelve. The Sugar Trust was formed after eighteen of the forty refiners in the United States had become bankrupt. Eighteen of the survivors formed the Trust, eleven refineries were closed down, and the necessary production was carried on by seven. When combinations in our own country are formed, a similar process is gone through. Old work-places are closed, production is regulated and organised, profits are guaranteed when works are idle, economies in management are effected, processes of manufacture are specialised and differentiated. The waste involved in competitive industry is enormous, and the sheer force of circumstances is tending to eliminate it.

#### 4. *Waste of Labour.*

One further consideration must be noted. We have seen that the private ownership

of land and capital is a serious drain upon national wealth and a heavy burden upon national production. Let us now approach the subject from the standpoint of the waste of labour involved.

A constant grievance against the amalgamation of railway interests which is going on to-day is its effect upon employees.<sup>1</sup> So long as production is carried on primarily for the profit of the owners of capital, labour is not used to its economic maximum. There is no co-operation between capital and labour for the most economic use of both. Labour has to look after itself. Its more economic use—say by the introduction of machinery—may mean a lowering of the cost of production and consequently a fall in prices. But wage-earners cannot consider that, because the only immediate experience which they have of the change is that there is less demand for their services, that they are discharged, and that their incomes consequently cease altogether. The first task of a workman's life is to make a wage for this present week, and whatever prevents him from doing that cannot be welcomed by him, and we ought not to expect him to welcome it. This is

<sup>1</sup> The Pennsylvania Railroad boasted that in one year it had dispensed with 30,000 men owing to economies in working, and in 1907 the New York Central dismissed ten per cent. of its main line staff for the same reason. The various proposals that have been made for the amalgamation of British railway interests have been resisted by the men, who are afraid of the staff reductions which follow, and they are being made the occasion for demands for shortening the working day.

why so many trade unions have at some time or another tried to limit production by adopting the policy of "ca' canny."<sup>1</sup> There is no justification in sound economics for this policy, but it can be excused as an incident in the attempts of capital to effect economies at the expense of labour.

A much more prolific source of waste is the machinery employed by capitalists to secure custom for their goods. This is the cause of enormous expenditure in advertising and in putting an army of travellers on the road. When the British soap combine was formed, the *Daily Mail* objected to it on the ground that it would mean a loss to newspapers in advertising of £200,000, and on further inquiries the head of an advertising firm put the loss "at nearer £500,000 than £200,000." The formation of the tobacco trust had a similar result. The hoardings showed that to the eye, and the ordinary newspaper reader, who but scanned advertisement columns, could not help missing familiar advertisements of tobacco manufacturers' wares. Before the Standard Oil Company secured its monopoly in the supply of paraffin in America, advertisements of oil stared one in the face everywhere, now they have disappeared.

What has been aptly called "the standing army of commerce," the commercial travellers, is responsible for much larger expenditure. Mr. Bradley, who gave evidence before the United

<sup>1</sup> It ought to be remembered that this policy is often advocated by capitalist organisations so as to keep up prices.



States Industrial Commission, referring to the cost of putting whisky on the market, said that forty million dollars were thus spent every year. The president of the Commercial Travellers' National League stated that 35,000 salesmen had been thrown out of employment by the organisation of trusts, and that 25,000 others had to suffer reductions in salaries. He estimated that this reduction in the number of commercial travellers meant a loss to railways of £50 per day for 240 days in the year, or, in all, £5,000,000; and that hotels were hit to about the same amount.

This dislocation of labour has a justification in economy, but the fact that it has taken place shows what numbers of printers, bill-posters, papermakers, travellers, have to be maintained at the cost of general industry. For, it must be emphasised, few of these are producers in the strict sense of the word. The vast majority of them are engaged in transferring custom from one firm to another. They are taking from Peter to give to Paul, without adding a halfpenny to the wealth of the community which consists of Peter and Paul. I must not be understood to argue that all advertisement or commercial travelling is waste. One of the functions of advertisement is to give information to consumers and users; one of the functions of travelling is to facilitate the exchange of goods between producer and distributor. These functions are necessary and are of the nature of real service which creates or adds

to the facilities for using national wealth. Nor must I be assumed to argue that travellers are *now* unnecessary. They are part of the uneconomical use of labour occasioned by our present system. Under a better system they would be absorbed in other occupations.

The fact is, that our present modes of production and distribution are complicated, expensive, burdensome and wasteful, to an extent which few have grasped because so much of the waste is hidden under the appearance of useful labour. One seeing a printer at work assumes without a second thought that the man is a productive labourer. If, however, he is printing advertisements the only effect of which is to transfer custom from one firm to another, he is not a productive labourer at all. He is only getting a share of the wasteful expenditure of capitalist competition. No sane employer would employ two men to do one man's job, but our present system of production and distribution employs an army of men who do not enter at all into the mechanism of real wealth production.

Hence, our present system does not bear the test of economy.

### 5. *Poverty.*

We can now apply the other test: Does our present system fulfil the ends of industry, namely, the keeping in decent comfort the people of the country? Again the answer must be in the negative.

Under commercialism national wealth undoubtedly increases. In 1812 Colquhoun estimated the wealth of the United Kingdom at £2,736,000,000; in 1855 Edleston estimated it at £3,760,000,000; in 1865 Giffen estimated it at £6,113,000,000; in 1875 at £8,548,000,000; in 1885 at £10,037,000,000; to-day it is estimated at £13,500,000,000. Similarly the income of the United Kingdom was estimated in 1840 to be £504,000,000; in 1860, £760,000,000; in 1889, £1,285,000,000; in 1895, £1,421,000,000; in 1904, £1,700,000,000; to-day, £1,800,000,000. The wage-earners' share in 1850 was about £15 per head per annum, in 1888 it had risen to £25, in 1905 to £29, and it remains about that to-day. Thus, the wage-earners' share has not increased in proportion to the increase of the national income. I have already quoted Mr. Mallock's figures of family incomes, and these, read with the above figures and with the descriptions of poverty given in the investigations of Mr. Booth, Mr. Rowntree, the Social Union of Dundee, reveal a vast amount of poverty, a certain amount of which is punishment for personal errors, but the bulk of which is the product of our industrial system.

Let us consider the most fruitful source of all poverty—unemployment. The unemployed man is not merely temporarily injured by idleness. He loses grip on life, his savings go, his membership of thrift clubs lapses, he acquires bad habits, his skill deteriorates, he becomes an "habitual." Even if he resists

the worst effects of unemployment, he emerges from it with a heavy millstone of debt and discouragement about his neck, and if it recurs it may make it impossible for him ever to move from those shallows where he is stranded at every ebb of the industrial tide. Now, competitive industry always requires a margin of workless men. The tide is never steady, and the statistics show that at the very best of times from two to three per cent. of skilled men are out of work. That on a working population of 14,000,000 means that 280,000 workers are out of work during booms of trade. That figure rises fourfold and over in times of bad trade, and when we add dependents, we can gain some idea of the disastrous effect of this single flaw in competitive industry.

Now, it is not merely that our present system requires a constant margin of unemployed, it also requires a constant alternation of booms and depressions. It cannot work steadily. It must always go by fits and starts. It is like a steam-engine without a regulator. The market is good and the demand is eager. Off goes every productive machine in the country. Everybody is piling his goods on to the market with a reckless disregard for the morrow. There is no attempt to gauge capacity of consumption; there is no effort made to ascertain where the balance between supply and demand is fixed. The result is a choking of the market, depression in trade, unemployment, financial loss and bankruptcy. So incompetent is

present-day society to handle stocks of commodities and distribute them that when nature happens to be in a generous mood and supplies rich harvests, distress as often follows as prosperity. In 1905 American newspapers announced that, owing to a big crop, cotton would have to be burned in the South to prevent serious loss to the growers. And so long as each producer works for himself alone, with his advertisements, his travelers, his agents, so long will there be chaos, unemployment, poverty.

And to make matters worse on their dramatic side at any rate, all this unemployment takes place when wealth is most heaped up and waiting for consumers. When the shoemaker is shoeless on the street, capital is cheapest, leather is cheapest, and boots are filling the warehouses.

Conditions are all the worse on account of a circumstance upon which, on other grounds, we greatly pride ourselves. We are taught that we are free, that no one controls our goings-out and our comings-in; and when Socialists speak of the present as a system of wage-slavery, we get angry. This freedom, however, has a fly in its amber. The man who is the property of another man is of value to that man and is not allowed by him to die of want or to become so degraded as to be useless. A man owning horses has far more cause for taking care of them than he has for taking care of the men whom he employs to work the horses. If one man dies or becomes useless, there are always plenty

to take his place. The permanent margin of unemployed provides what is wanted.

This truth is well illustrated in the case of Pittsburg. The machines are valuable to the Steel Corporation; the "hands" are not. The machines are kept in the best order. No money is spared to keep them up to date. The means of production are of the best. Turn to the people. The Russell Sage Fund Investigation has revealed a reckless and callous disregard for decency, for health, for comfort, for education in Pittsburg, which, were the details not supplied with scientific precision, one could hardly believe.

The same thing is seen if we consider the effect of industrial legislation. When, for instance, the Workmen's Compensation Law was passed, employers who had hitherto felt little concern about the dangerous machines with which their people had to work, began to interest themselves in guarding and fencing. Insurance companies began to impose conditions under which they were to do business. They appointed inspectors of their own to see that factories did not contain more points of accident danger than were absolutely necessary, with the result that this law, in addition to the compensation it provided for injured workers, made men of some value to their employers. Life insurance companies are beginning to appoint nurses to look after their ailing clients, and the most satisfactory consequence of sickness insurance in Germany is the elaborate system

of preventive efforts to which it has given rise. As disease and death become costly health and life become valuable.

It also seems as though the forces which enabled labour to secure better conditions for itself are weakening. The industrial combinations of capital are rendering combinations of labour less effective, and even though legislation is beginning to do what trade unions did some years ago and to impose certain standards of hours, conditions and, in certain trades, wages, recent defensive agreements between employers have gone far to restore the economic advantages which capital had when it was bargaining with unorganised labour. In the economic state of nature, there is no freedom of contract between capital and labour, the position of the two being so unequal. Labour combinations went a good way to establish some equality by their common bargaining and by their privileges to declare war and carry it on. But capital can always restore the inequality by following the lead of trade unions, and it is now doing so. The only reply that labour can make is to enter politics. When it did so, however, it immediately met with the censure of the Law Courts,<sup>1</sup> and capital again got possession of its privileged position.

But no responsibility is imposed on any one

<sup>1</sup> This refers to what is known as the Osborne judgment, by which the British Courts decided that it was outside the scope of the authorised purposes of Trade Unions to levy their members or spend their general funds to maintain a political party.

for causing a slump in trade. The alternation of overtime and unemployment is supposed to be as natural as that of night and day. The workers have to bear the burdens of the system under which they live, and as they are not responsible for its control, nothing is done by way of a remedy.<sup>1</sup> Thus the chronic underpayment of the workers adds to our chaotic methods of production in intensifying periods of apparent over-production and trade depression.

Nor is it much better with the class above the workers. As unemployment comes inevitably upon the wage-earners, so bankruptcy comes inevitably upon the capitalist. During the ten years preceding 1909, there were in England and Wales 78,000 bankruptcies and deeds of arrangement, with a total estimated loss to creditors of £81,000,000. In 1909 there were 7,561 bankruptcies and deeds of arrangement, and the total loss to creditors so far as the Board of Trade returns show them, amounted to no less a sum than £5,086,131.

Although some enterprises that become bankrupt are of the nature of experiments that would have had to be made under any system, and others are purely fraudulent,

<sup>1</sup> Even here a beginning of new things has to be noted. The political organisation of labour brought this problem within the area of pressing political interests. The workers have to an extent become responsible for themselves, and consequently the Right to Work Bill has been discussed in parliament, and partly as a result of this a scheme of insurance against sickness and unemployment has been promised by the government.



the bulk of them are failures pure and simple, which must be put to the discredit of competitive commerce. Mr. David N. Wells, the American economist, published the result of an investigation made in the city of Worcester, Massachusetts,<sup>1</sup> regarding failures in business. "Of every hundred men in business in that place in 1845, twenty-five were out of business in five years, fifty in ten years, and sixty-seven in fifteen years; and most of these disappearances mean simply failures." What man of practical instincts can regard such a state of things with a happy mind?

In addition to actual failures, there is a struggle for life going on daily from which many competitors never get clear. They make ends meet only after the most continued strain. They keep their heads above water at the price of a physical and mental wear and tear which by and by bring disease in their train. The increase in insanity, in paralysis, in consumption, in ailments like diabetes and Bright's disease, which are supposed to have some connection with mental worry, is one of the problems with which modern medicine is struggling in vain.

Thus our present system fails absolutely to satisfy the most primitive need of food, clothing and shelter, for a large section; it imposes absolute failure on others struggling to meet that need, and it places such great difficulties in the way of others that they cannot enjoy life after these needs are satisfied; it makes the grip of the vast majority of men on

<sup>1</sup> *Recent Economic Changes*, p. 351.

a standard of life which is but moderately comfortable, precarious in the extreme; it secures incomes to those who do no service and by allowing the growth of monopolies it tends to increase the power of those enjoying economic advantages and so it encourages exploitation.

The present system bears neither of the two tests which were proposed for it at the beginning of this chapter. In a sentence, taking my last chapter with this, the Socialist charge against capitalism is that it is a method of exploitation, and in its development produces conditions which forbid and render impossible its continued existence.

## CHAPTER IV

### THE INTELLECT UNDER CAPITALISM

#### 1. *Religion.*

THE revolt against capitalism and the dominance of property over men has moved intellectual and artistic as well as economic sentiments. Sir Thomas More wrote not as a victim, but as a sensitive onlooker; the pioneers of modern Socialism were as a rule men of substance, troubled in spirit rather than in pocket. That there should be such protests is no cause for wonder, for commercialism has coarsened everything it has touched. It is frankly materialist in its

inspiration. Its gospel is the worldly laws of *acquiring*, and it consequently must be in sharp conflict with every other gospel embodying the spiritual laws of *being*.

As one would therefore expect, Christian ethic has frequently borne a troubled testimony against the industrial order of commercialism. The economics and politics of the Prophets, and the spirit of the Gospels are awkward inspirations in the existing order, and would be revolutionary if they were not only preached from temples but put into practice in market-places. This is seen whenever a breath of fresh wind blows over our faith and it is felt as a motive power in daily conduct; its social significance then comes to the front, the idea of human equality which is inseparable from it becomes active, and the reminiscences of the communist experiments with which its history began awake in it again and turn men to look in Socialist directions for the fulfilment of its spirit. A Christian revival as a rule strengthens the active body of social ethics. Thus the rise of Nonconformity, though apparently the result of only a fervid evangelical propaganda, proceeded apace with an increasingly emphatic assertion of human equality and social right, and in consequence the fruit of the religious agitation was political and social reform.

The first society of Christian Socialists was the product of that reinvigoration of the life of the Church and renewal of interest in religious affairs which began with the Tractarian

movement. The doctrines of Kingsley and his friends do not sound either very robust or very inspiring from this distance. They can never be dissociated from a pose of snobbishness and from an antiquated and fanciful view of the superiority and inferiority of classes. A recent writer has said of Otto Effert that his Socialism consists in an appeal to the gentlemen of all the countries to unite. That may be said of the Christian Socialists. Still, these Socialists of nearly seventy years ago illustrate in the clearest possible way the inevitability with which an enlivened Christian faith turns like the needle of a compass in Socialist directions.

On its critical side, however, the movement was quite firm. Its political affinities may not appear now-a-days to be very attractive, but its economic and social repulsions were of the right kind. It abhorred Manchesterism with its philosophy of individualism and its results of poverty. It assailed competition as being of Satan, and urged that the best life of the community was bound up in co-operation. It had a firm belief in the organised community acting consciously and guarding and promoting human well-being. Only in this way could moral results be secured and virtue be made the gateway to reward. So it held that Socialism was a product of Christianity. Co-operation on the largest and most complete scale was the social mechanism through which alone Christianity could work. Ludlow, one of its founders and also one of the best of men, had been in France and had

become enamoured of Proudhon. He returned to England full of the ideas of "mutualism," and consequently Christian Socialism will always be associated with co-operative production and the self-governing workshop.

The movement died after a short life extending from 1848 to 1852, leaving as its progeny a book or two like Kingsley's *Alton Locke*, a beautiful life or two of which that of Maurice was the most saintly, and the self-governing workshop which, after a generation of heart-breaking failure, is at last meeting with some success. It also left the trace of a tradition in the Church itself.

Later on, when the social movement again gathered in importance and in socialistic consciousness, Christian Socialism revived round this tradition. The Guild of St. Matthew was founded in 1877, some of the leaders of the Free Churches, without forming any separate organisation, associated themselves openly with Socialism, and many of the younger ministers of all denominations ranged themselves behind the same banner. An association of Free Church Socialist clergymen was founded in 1905, and the Church Socialist League in 1904. Now, the Church in all its sections is permeated with Socialism.

The competitive system cannot be reconciled with Christianity. It is a struggle for the survival of those whose only virtue is that they are the most adaptable; religion can never abandon the desire to supplant such a struggle by a method of selection which will secure the survival of graces and virtues. It

must frequently result in glaring instances of the triumph of the unjust and of the otherwise unworthy; religion must always regard such results as indications that the conditions which produce them are alien to it. It is frankly a reign of wealth, whereas though religion may approve of the authority of a gilded aristocracy—divine right—or of a sober democracy—divine equality—it never can justify to itself a sovereignty of money, an empire of plutocracy. Above all, religion must resent the attempts made by commercialism to measure virtues by their economic advantages and to appreciate—or depreciate—saints in accordance with whether they are or are not useful in counting-houses. However strenuously the economic needs of churches and chapels may strive to proclaim peace between these two essentially antagonistic systems of ethics, the peace thus patched up must always be unhappy and unnatural to both sides, and rebellion must frequently break out. As early Christianity had to challenge and change the life of Rome, so later Christianity must one day challenge and change the life of modern capitalist society.

## 2. *Literature.*

This challenge has not only come from the religious sentiments, but from all activities of the intellect. The religious revival which produced Christian Socialism was itself the result of a literary movement.

The long reign of the formal and the classical

when, as Taine said, men of letters adopted a style by which they held "as by their coats," was closed by the end of the eighteenth century, and men were beginning to return to nature for the refreshment of their souls and to history for the invigoration of their minds. This change in outlook and inspiration brought the poets into companionship with man as well as with nature, and the *Cottar's Saturday Night* came to be written and Shelley's magnificent songs of democracy and liberty to be sung. Wordsworth gave the simple dalesmen the mien of godlike dignity, and Coleridge bathed the whole of life in a glow of spiritual equality. The new literary movement divided. The main stream appeared to flow backwards to mediævalism and the ages of romance, and it refreshed the political system which grew up to contest supremacy with the growths of the Revolution; the other, the waters of which were often mingled with those of the first, bearing Carlyle, Ruskin, Morris, Swinburne, flowed onward in a somewhat hesitating and twisting current, in the direction of Social Democracy. But neither stream freshened commercialism. The industrial order was shunned by both. The cash nexus, the self-made rich man, the lack of good taste which the plutocracy showed, the brutalising of the lower classes, the destruction of the beautiful in nature, the enclosure of spots hallowed by beauty, the religion of utility—in a word, Manchesterism—have been attacked, lampooned and insulted (sometimes, be it said, misrepresented, but that of itself is significant)

by both the romantic and humanist schools of literature.

There are men who live where wealth is made. They hear the hum of the wheels all day; all day their eyes wander over stocks and ledger pages. It is difficult for them to use wealth. They may clothe themselves in all the appearances of richness, but the coverings fit badly on their backs, and no one can ever be deceived by their show. Now, when a new and rich wealth-producing epoch comes and gains pour in upon people in a great rush, this kind of rich man is produced. Political economy is written to explain and justify him; ethical systems are built up solely from his virtues; his success is canonised. But the praise is only temporary. The world cannot continue to live and yet make obeisance to him. The minds who see past him and through him revolt against him. Hence every literary genius during the middle of the nineteenth century poured hot scorn or icy cold water upon the successes of his times. It is true these writers were generally only unhappy critics or defiant rebels; they were not reconstructive; they only harped upon the desires of their imagination. Ruskin's vagueness has left us a number of illuminating aphorisms like: "There is no wealth but life"; Carlyle's passion has fashioned for us the mediæval-modern community of *Past and Present* and thrown out volcanic eruptions of fault-finding; Dickens' pilloryings led to the removal of some of the blotches in the face of society as he found it, but when he



had described and had mingled his descriptions with the sobbing protests of charity, he could do no more; Thackeray's gentlemen were dead or dying or had never been born; Wagner was a Childe Harold; Victor Hugo amiably and mournfully shook his head. But they stirred up enthusiasm and touched slumbering consciences into wakefulness. They prevented "the man with the muck rake" having it all his own way.

The world cannot exist without peace, leisure and beauty, and the whirring of wheels, the speeding of production, the depressing of vitality, the creation of ugly and slummy towns, the transcendence of cash, darkened and blighted the realms of the imagination, as the smoking chimneys darkened and blighted the landscapes. The arts fell to the lowest possible level. Domestic art in particular sank far down. The house itself and everything which it contained became a mere utilitarian shelter without a touch of beauty or idea. Things which used to express personality and give delight, were hustled out by machines, and craftsmanship decayed. Whatever exception can be taken to that statement is due to the fact that there were always coteries in revolt which though living in the period were not of it.

When literature is used as an index of the mind of the people, one searches in vain except on the very rarest of occasions for political demands or systematic criticism in the pages of novelists and poets. But one finds in these pages the spirit which is behind

programmes. The great literary genius is seldom a man of the past, a mere classicist, a bookman. He gathers up in himself the spirit of his time. Of events and of the clashings of parties going on around him he may know nothing, but of the impelling underlying forces, the tides of fundamental feelings that are sweeping his time along, he knows more than most men. Therefore, if the list of actual Socialists amongst the literary and artistic geniuses who have lived during the commercialist epoch is small though by no means insignificant, that shows little one way or another. The artistic protest against commercialism can be traced in a well-defined current of critical idealism most ample in its proportions right through last century. What is but vague and critical in the protest has in due time become definite and constructive under the moulding fingers of Socialism. For instance, the influence of both Carlyle and Ruskin has been a powerful tendency in the direction of Socialism although neither of them could be said to show much appreciation of the most essential foundations—*e.g.* democracy—of the fabric of the socialist system. The evolution of William Morris followed the path of that of many a humble man. He was the child of Ruskin and Carlyle. But he did not use his love of the romantic and of the beautiful only as a cudgel by which to beat the back of his time, or as an inspiration for the coinage of phrases of literary and ethical beauty. It led him to Socialism. He saw that the drudgery of the machine-minder and the factory hand must crush out the joy in

life which is the mother of art. Or, as he said himself: "Slavery lies between us and art." But Morris was the exception. The socialistic spirit transfuses the work of the artist as a rule; the artist does not appear as a propagandist, a lecturer, a chairman of meetings. That work is done by other types of mind.

Remembering this, we turn to the writers of the last century and find that our Socialism freely tinges their work. The wells of refreshment of which they drank are those which we frequent. Wordsworth's magnificent sonnet which stands up like the doleful message of an Israelitish prophet: "The world is too much with us," is the vision which the Socialist sees and seeks to guard against. From an opposite direction altogether Dickens approaches to fulfil the same mission. He was more of the demagogue and less of the poet. He was class conscious and never drew the portrait of an aristocrat without a flaw. He had no system but inexhaustible reservoirs of feeling, and that feeling in its quality was the same as inspired Burns to write of "yon birkie ca'd a lord" and "a man's a man for a' that." These may be but evidences of political prejudice. Well, it is the political prejudice which in time, and after being hammered into shape and tempered on the anvil of reason, becomes Socialism. Through the work of both the poet and the novelist ran the broad and deep tendency towards democracy, towards social equality and economic justice—that is, towards Socialist change.

In short, the poets and writers of the century that is past, in the main contemned their own

age. They did not ennoble it for they were not of it. They laughed at what it cherished. They were Utopians and reformers in relation to it. Meredith and Hardy, Tolstoy and Ibsen, Turgenev and Anatole France; Burne Jones and Watts, the Pre-Raphaelites and the founders of the schools of arts and crafts—all pointed a way out of the weary dulness, the brutalising strife and the hardening materialism of commercialism, or were in revolt against a state which Matthew Arnold said, "materialises our upper class, vulgarises our middle class, brutalises our lower class." Romanticism, culture, humanism, all declined to accept the companionship of commercialism, and if they at the same time declined to label themselves Socialist, they worshipped with Socialists, drank from the same sparkling springs of energy, and scanned the horizon with expectant hopes for the same dawn. Moreover, those who were inspired by them brought down from the empyrean into the fogs and dust of the day, their thoughts and prophecies, their criticisms and their dreams; and Socialism was the result. The common mind sees the ways and means over the tops of which genius gazes heavenwards and consequently neither sees nor troubles about them. Some of the best literary and artistic work of the last century has been but as drum taps to which the step of Socialism kept time.

### 3. *Science.*

On its scientific side, this movement has been equally well marked, though in this

country, unfortunately, scientific men have not been distinguished since Faraday's time for that democratic humility which is the crown of intellectuality. Science in Great Britain has run after social honours and even its Liberalism soon decayed. We have not, therefore, in this country that circle of the intellectual democracy which has enriched liberal thought on the Continent. Curie and Lombroso were Socialists, and we can claim the most distinguished of all our living scientists, Alfred Russel Wallace. A brilliant, if small, body of scientific men keeps him company. But again a mere catalogue of names is meaningless.

The reason why Socialism and the scientific mind should be congenial to each other is not far to seek. The scientist loves order and is repelled by disorder. The same intellectual promptings which lead him to invent a water tap which will not drip, will make him take an interest in proposals to do away with the industrial wastage of unemployment. For his schools, for his laboratories, for his research work, he has generally to turn to the state. He knows by bitter experience, particularly if his field is that of any of the human and social sciences, that privately endowed teaching places are not free;<sup>1</sup> if he deals with the physiological group of sciences, he knows the

<sup>1</sup> President Hadley of Yale is responsible for the statement that "a University is more likely to obtain money if it gives the property owners reason to believe that vested rights will not be interfered with." (Quoted in Spargo's *Common Sense of Socialism*, p. 65.)

havoc which competitive industry makes with nerves and bodily health, with hygiene and physique. But, above all, the man who lives in an intellectual atmosphere and with an intellectual companionship must be repelled by the qualities which can amass property to-day and which, in consequence, give tone to society. An intellectual aristocracy must be in revolt against a commercial plutocracy.

Moreover, as I shall point out in a later chapter, the Socialist method is the scientific method. It is the method of evolution applied to society. It assumes that society is fulfilling its past in evolving the more efficient forms of the future; from certain well-observed tendencies and features it constructs working hypotheses, and it uses these hypotheses as guides for experiments which by condemning or justifying them open the way for further and still more comprehensive hypotheses. Thus the whole of society, its organisation, its institutions, its activities, is brought within the sway of natural law, not merely on its descriptive and historical side but on its experimental side, and administration and legislation become arts pursued in the same way as the chemist works in his laboratory. Socialism alone is worthy now-a-days of the title of scientific politics.

But society as the subject matter for scientific study and treatment has hardly more than crossed the threshold of the laboratory. Sir Francis Galton's imperfect application of theories of heredity to government is still the best contribution made by science to

the subject. Public health, family needs, school hygiene, the whole field of Eugenics in its widest and most proper scope, is as sparsely tenanted by scientific investigators as central Australia is by agriculturists. But an emigration of interest has commenced and the evidence is so clear that one is tempted to prophesy that the science which is to add laurels to the twentieth century, as biology gave laurels to the nineteenth, is the science of sociology, including social heredity, social health, and social organisation; and in that science Socialist theory and programmes must find a central place. Socialism has made sociology important.

Thus our Socialism has its roots dug deep in literature, art, science, religion—in all the creative activities of the intellect. Sometimes these express themselves only as a revolt, sometimes as yearnings after the phantastical, sometimes they wander back to the religious brotherhoods that once were but which went out with the conditions which made them possible, sometimes they content themselves with singing of the ideal. But when the passions and longings they awaken, the principles and motives they proclaim, the rules and methods they demand, are all gathered together and systematised as a guide for practical politics and an impulse for immediate activity, it is Socialism which they create and encourage as their economic environment—Socialism, the revolt against individualist commercialism, the hypothesis from which the future organisation of society is to be built

up, the ideal city to which the feet of men seeking a rational life and a moral community must always wander.

#### 4. *Comfort.*

Nor is this intellectual appeal confined to what are called the intellectual classes.

Marx, taking an all too narrow stand on the economic determinism of history, was compelled to lay down the law of increasing misery as the law of Socialism. The rich were to get richer and the poor poorer. Wealth was to gather in the hands of a very few and misery was to become general. Then the change was to come. There is far more in the Marxian forecast than appears in the experience of the last two or three generations. It was unfortunate in its moment of publication. The eighteenth and early nineteenth century writers who also believed in it, were justified by events far more than Marx. For the workers were then going down into very shadowy paths. But in Marx's time a vast expansion of commerce was imminent. Never had commerce leaped forward with such bounds as it did in the middle of the nineteenth century, and the working classes shared in the general increase in wealth. Engels described the black cloud which overhung the working classes just at the moment when some rays of light were penetrating it. Marx said that Socialism would come because misery would increase; as a matter of fact Socialism spread whilst misery was being lightened.



Therefore a reply to the Marxian dogma is not a reply to Socialism.

There are two possible avenues down which Socialism may come. It may come from the darkness of misery, its way lit by flaming torches; or it may come from the advancing dawn of prosperity, its way lit by the steady broadening of the day. For the past generation or so, it has come by the latter way. We are better clothed than our grandfathers, we are better housed than they, we have a wider choice for consumption than they had. What then? Satisfaction? Or more hungering and thirsting? Certainly more hungering and thirsting. It is interesting as a matter of personal experience to note that the strength of Socialism is not found in the slummy and most miserable quarters in towns, but in those quarters upon which the sun of prosperity manages to shine. It is the skilled artisan, the trade unionist, the member of the friendly society, the young workman who reads and thinks, who are the recruits to the army of Socialism. The explanation is not difficult to discover. In dealing with horses we are dealing with stomachs only; in dealing with men, we are dealing with stomachs and heads. The needs of a horse present a purely quantitative problem in the supply of hay, the needs of a man present a qualitative one in the supply of intellectual happiness. Man is not satisfied with a little. Everything he acquires broadens his horizon and reveals in a widening sweep the hitherto unattained.

Socialism is therefore not a fleeing from the

wrath which is to come, but a stretching out towards a state where more of the blessings now enjoyed are to be the lot of men. Its driving force is intellectual as well as economic. The spread of education, the sharpening of a sense of self-respect, the awakening of imagination, the increase of comfort amongst the workers, enhance the attractiveness of the Socialist appeal and prepare the soil for the Socialist seed. Give us more religion of the true kind, more literary and artistic culture, more science, and the opportunities of Socialism are thereby increased.

## CHAPTER V

### SUMMARY

WE are now in a position to summarise the criticism which Socialism passes on the existing order of things.

Commercialism is a phase in the evolution of industrial organisation, and is not its final form. It arose when nations were sufficiently established to make national and international markets possible, and it created classes and interests which separated themselves from the rest of the community and which proceeded to buttress themselves behind economic monopolies, social privileges, political power. The new industrial régime supplanted feudalism when the historical work of feudalism was done and it had ceased to be useful, and

proceeded to build up a method of wealth production and distribution regulated by nothing but the desire for individual success and private gain. The new power lost sight of social responsibilities and social coherence. The interests of the individual capitalist, of the class of capitalists, of the property owners, were put first, and those of the community as a whole were subordinated. It was hoped, but for no well-considered reason, that by the individual capitalist pursuing his own interest national well-being would be served. The error soon reaped its harvest of misery, when women and children were dragged into the factories late in the eighteenth and early in the nineteenth centuries, when people were gathered into foul industrial towns, and when only human endurance limited the length of the working day. So separate had become the interests of the nation from those of the propertied classes that the latter found profit from the degradation and deterioration of the population. It mattered not to the cotton owner of Lancashire a hundred years ago what became of the children who were working in his factories, or later on, what became of the women who took their places. When one "hand" died another "hand" was ready to step into his place, and whether his life was long or short, sad or merry, the machines which he tended spun out their enormous profits, and the owner saw no reason to believe that the day of his prosperity was short.

The system certainly solved the problem

of production. Under its whips and in search of its prizes, mechanical invention proceeded apace, labour was organised and its efficiency multiplied ten, twenty, an hundred fold. Statistics in proof of this live with the wonder that is in them. That twenty men in Lancashire to-day can make as much cotton as the whole of the old cotton-producing Lancashire put together; that 1,000 shoe operatives in Leicester can supply a quarter of a million people with four pairs of boots a year; that 120 men in a mill can grind enough flour to keep 200,000 people's wants fully supplied, seem to come from the pages of romance rather than from the sober history of industry. Commercialism has written those pages, and they are its permanent contribution to human well-being.

As time went on, however, it was seen that this wonderful system of production was quite unable to devise any mechanism of distribution which could relate rewards to deserts. Distribution was left to the stress and uncertainty of competition and the struggle of economic advantages. The law of the survival of the fittest was allowed to have absolute sway, under circumstances which deprived it of moral value. The result was that national wealth was heaped up at one end over a comparatively small number of people and lay thinned out at the other end over great masses of the population. At one end people had too much and could not spend it profitably, at the other end they had too little and never gained that mastery of

things which is preliminary to well-ordered life. Moreover, even many of those who possessed held their property on such precarious tenure that possession gave them little security and peace of mind. Prosperity was intermittent both for capital and labour.

Then conscious effort to rectify the chaos began to show itself. The national will protected the national interests through factory and labour legislation, and at the same time the chaos within the system was being modified by the life of the system itself. Competition worked itself out in certain directions, and co-operation in the form of trusts came to take its place, as nature turns to hide up the traces of war in a country that has been fought over. This new organisation is more economical and may steady to some extent the demand for labour; but it means that economic power is being placed in the hands of a few. That is too dangerous in the eyes of the Socialist. Its operation is too uncertain. From his very nature the monopolist is an exploiter.<sup>1</sup> He grasps the sceptre of state, as well as the sceptre of industry. He sits in Parliament as well as in the counting-house. He becomes a powerful citizen as well as a masterful captain of industry. He raises in a most acute form the problem of how the community can protect itself against

<sup>1</sup> Here and elsewhere in this book the word "exploit" is used to indicate the taking for oneself something to which one is not justly entitled, and must not be read in the colourless sense of turning latent resources to good account.

interests being created round its exploitation and enslavement. Competition solves its own problems and leaves those of monopoly in their place.

Surveying the same field with an eye on the moral fruits which it has borne, the Socialist once more discovers weeds in plenty. The familiar methods of adulteration and of all forms of sharp dealing, both with work-people and with customers, pass before his eyes in disquieting masses. Honesty on this field is not the best policy. Materialist motives predominate. Birth and honour bow to wealth. Wealth can do anything in "good" society to-day—even to the purchase of wives as in a slave market. A person may be vulgar, may be uncultured, may be coarse and altogether unpleasing in mind and manner but, if he has money, the doors of honour are thrown open to him, the places of honour are reserved for his occupation. The struggle for life carried on under the conditions of commercialism means the survival of sharp wits and acquisitive qualities. The pushful energy which brings ledger successes survives as the "fittest" under commercialism. Capitalism has created a rough and ill-working mechanism of industry and a low standard of value based upon nothing but industrial considerations, and it has done its best to hand over both public and private values to be measured by this standard and to be produced by this mechanism.

But the controlling influences which have been brought to bear upon it—both those

of a political character from without and those of an industrial character from within—are the foreshadowings of a new system of organisation. Commercialism lays its own cuckoo egg in its nest. Every epoch produces the thought and the ideals which end itself. Like a dissolving view on a screen, commercialism fades away and the image of Socialism comes out in clearer outline.

## CHAPTER VI

### SOCIALIST METHOD

HITHERTO I have been detailing the Socialist criticism of the existing order, and I must now turn my attention to the constructive side of the movement. As a preliminary it is necessary to understand what the Socialist method is.

#### 1. *Utopianism.*

The Socialist movement, as conceived by the pre-Marxian Socialist, was not an incident in a social evolution in which the whole of society was to play a part; reason and moral affection were to bring the change as an act of individual will. Thus Fourier, Robert Owen and others had no idea of effecting a great Socialist transformation by organic change brought about, in the first instance at any rate, by political action, but they spent their energies in attempting to found ideal

communities wherein righteousness was to dwell, and from which enlightenment was to beam all over the world. By the success of these communities, kings and rulers and the misery-haunted common folk were to be converted to the New Harmony, and the nations were to give up their old ways and pursue the better path. These were the days before the historical spirit had been awakened into life by the idea of evolution. Man was assumed to be a fixed entity of desires and modes of action, and not an organism subject to historical change. The utopian method was, therefore, not organic progress but mechanical renovation. The early Socialists hardly grasped the fact that society and its various forms of organisation had historical roots; that social habits and relationships could not be thrown off like an old garment when fashions change, but that they constituted a systematic whole, balanced in its relationship, intricate in its interdependence, and linked by vital bonds to the past.

We call this phase of the Socialist movement the utopian phase, meaning by that the pre-scientific phase, when Socialism added to a perfectly sound criticism of the present and a pretty clear insight into the future, methods of reconstruction which were inadequate and unsuitable to society. So if you go to-day to places like Heronsville, near the London suburb of Chorley Wood, you will find no trace of the O'Connellville settlement which was the origin of the village, and which was meant to be the origin of a new world.



It has been lost sight of, and the people who live there now have never even heard its name. All the other similar experiments have died too, not because, as their hostile critics are so fond of assuring us, human nature could not stand them, but because their sociological method was wrong.

There is another difference between the two phases of the Socialist movement, which is an aspect of the one I have been explaining. The old, with the exception of Saint-Simonianism, saw social regeneration coming through the commune, the new sees it coming through the state. In this respect, all the error is not with the old. We shall have no Fourier Phalansteries, but no Socialist movement can now exist without a programme of municipalisation. The state is not only the government at Whitehall. It is the city, the town, the village, the family as well. That part of utopian Socialism is being refitted into the modern movement.

The weakness of the utopian method became very evident to a generation engaged in political conflict. Both France and Germany had to deal with unpopular governments, and England had to go through the long Reform agitation so that democracy might take the place of Family rule. Only America, with its wide unsettled plains, its slack social organisation and untrammelled freedom, was in a position to offer even a temporary success to utopianism. The political movement in Europe impinged upon the Socialist movement, changed its character, hardened its

will, and, for the time being, narrowed its vision. What was to have been a movement joined by all classes of society led by sweet reason and austere justice, became an agitation of the suffering proletariat<sup>1</sup> class, conscious of its wrongs and clamant for its rights, determined to exercise its power. The utopian method of example and of a spick-and-span order in a doll's house Phalanstery or a New Harmony was set aside, and the method of capturing the political power of the state was inaugurated. Some Socialists have mourned that the idealism of the utopian stage was trampled down by the new leadership. They do right in regretting it, but it was inevitable. "Socialism," as Louis Blanc said, "can be fructified only by the breath of politics"—"proletarian politics," Marx added. This is known as the scientific phase of the Socialist movement.

Like all revulsions against old conceptions, it starts at a point too far away from the old error to be itself an expression of the real truth, for in all such circumstances wisdom consists in the combination of two extreme positions, which when held separately are two mistakes. But the political method, in so far as it recognises that society can never change its relationships except in an organic and all round way, is true to the facts; in so far as it is a recognition that the social will which directs change within society must operate through the political state, it is again

<sup>1</sup> This clumsy word has no euphonious equivalent in English. It indicates the class without land or reserve of capital of any kind—the wage-earner pure and simple.

true to the facts; and finally, in so far as it recognises that no social alteration can be permanent unless it is begun by a change in the general public outlook on political and social rights, it is again true to the facts. Further, in so far as scientific Socialism began by uniting the working classes in a political movement and in centring that movement round certain abstractions in political and economic theory, it only followed the method that every other movement has ever followed or can ever follow. Thus Socialism towards the middle of the nineteenth century became a political movement. Its growth since then has been the growth of a political movement, and what prospects it has at the present moment of succeeding are due to the fact that it is a political movement.

## 2. *Revolution.*

Thus it will be seen that the talk of revolution as a Socialist method is wrong. Revolution can never bring Socialism, because the change which Socialists contemplate is one which will affect every fibre of society, and which must therefore be an organic process. Changes in the superficial things of government, for instance whether there is to be a republic or a monarchy, or whether the people are to be allowed political power or to be kept in political slavery, may be effected by an appeal to the sword, but a change which is to readjust the processes of wealth production and of national and international

exchange, which is to establish some system of justice in settling the relations between services and reward, and which is to end the economic organization which produces too much wealth on the one side and too much poverty on the other, is not the kind of change to which revolutions can contribute anything. It is to be regretted that, in order to keep up an honoured but antiquated phraseology, some Socialists still use the word revolution to indicate what they have in mind. It must be observed, therefore, that they use the word in a very special way. They simply mean to indicate by it, that when Socialism has come the change will be so great as to be fundamental, and that the state of society which then will have been evolved will be so different from that from which the evolution sprung, that it will not be the same kind of society at all. That being so, those Socialists consider that they are justified in speaking of "revolutionary Socialism." They only add to the difficulties of those who are trying to understand them. Revolution does not mean a big change, but a sudden and violent change. Even the expression "the Industrial Revolution" always conveys the idea that the change was effected rapidly, and that it disorganised for the time being the existing order. It must therefore be understood that when Socialists use the term "Social Revolution," in connection with Socialism, they wish to indicate the completeness of the change which they contemplate, not the methods by which they propose to bring about the change.

Revolution is the end, not the means to the end.<sup>1</sup>

### 3. *The Experimental Method.*

Every state has the capacity through legislation and administration to fix in society certain social relationships and habits which have been proved by experiment to be good for the community and which are approved by the greater part of the public. This fact determines the modern Socialist method. When the state is democratically governed and laws are made and applied under the guidance of common experience, the part played by legislation and administration becomes more and more important. When a class is in power which, owing to its economic resources, can protect itself, the legislature will not do much work. It may be an enticing debating place, but its volume of legislation will be small. Indeed, the state of the dominant political mind at such a time is such that the generally accepted theory of government is that the state should be as passive as possible, doing little beyond military and police service, and that its relation to the citizens is best expressed in the antithesis: the man *versus* the state.

But when enfranchisement reaches the stratum where the common man is found; the legislature meets with a new influence

<sup>1</sup> This is illustrated by an incident in the life of Marx. In 1850, he resigned from the executive of the Communist League on the ground that his fellow-members were substituting "revolutionary phrases for revolutionary evolution."

altogether. The elector, the creator of parliamentary majorities, is now a man who is not in an economic position to protect himself. Indeed, he is the victim of his economic weakness, and he has to depend on his political power to adjust the balance in his favour. The state becomes his ally not his rival. An opposition between the man and the state is not present to the minds of the majority. Liberty to the possessing classes is a right to use property, to the labouring classes it is a right to be protected against the abuse of property; as an absolute ideal to the possessing classes, it is the drawing up of every stake that limits action except the action of property-holders, as an absolute ideal to the labouring classes, it is the limitation of the exercise of certain powers of action for the purpose of securing the greatest protection and freedom for the greatest number.

This is the fundamental change in the political intelligence which comes with the enfranchisement of the common folk, and which makes democracy something more than "a form of government." The relation between the state and the individual is revolutionised. For when men think of the state as an authority which says—"Let us do this together," instead of one which says—"You must not do this," the whole standpoint from which they survey the future is changed. Progress becomes a matter of mutual aid, instead of the result of the struggle for life. Education, culture, morality, idealism—and not economic power—become the creative

forces in society, and the social mind is bent upon producing a congenial social environment through which these can work.

In other words, the spirit of constructive Socialism arises from political democracy. With the approach of the sun to the earth in spring, the breeze warms and the wayside bursts out into colour. Life is the companion of the hours of spring. So is Socialism the companion of democracy. The people become accustomed to Socialist axioms. Even when they imagine they are shunning Socialism they are following it. It is said of a certain Indian state that it has a make-believe parliament. Men meet together and discuss and pass resolutions and the Rajah proceeds forthwith to tear them up and throw them to the winds. And when one was asked why he continued to sit in such a parliament, he smiled and said that their resolutions were first of all torn up but in a short time they were acted upon by the Rajah, because even he was but a spill floating on the currents of public opinion. Thus the Socialist spirit and point of view may be the subject of violent hostile propaganda, but all parties in the state have to accept its guidance and form their legislation accordingly. Whether, in a coming time, the drift of the current is to change its direction or not, is a matter of speculation which only idle men will spend much time in discussing. To-day, it is running clear and strong, not because men believe in Socialism but because Socialism is a consequence of democracy.

#### 4. *The Parliamentary Method.*

The political policy of Socialism presents many difficult problems which are not the same in any two countries, and which are more complicated in Great Britain than in any other land of the globe.

A comparison between German political conditions and our own will enable me to make this clear. The German Reichstag is not a parliament. When Bismarck drafted the constitution, which with but few amendments was accepted for the German Empire, he had two leading purposes in his mind. He determined to create a legislature based on the most democratic franchise, but devoid of every particle of real power, and at the same time to repose the real legislative and executive authority of the confederation in a Bundesrath which was to be so constituted as to be a fortress of the most extreme kind of conservatism. The Reichstag is therefore little more than a debating society, wherein, however, serious affairs of state are discussed and public opinion expressed in such a way that the responsible authorities cannot afford to overlook it. It has been described as the weakest lower house of parliament in the world, whilst the Bundesrath has been described as the strongest upper house. If there were to be a redistribution of seats and the towns were adequately represented, the flood of Radical and Socialist representation that would follow would swamp the Bismarck constitution. But I am not dealing with the



future, I am dealing with what is. The parties constituting an assembly of debate which is not an assembly of authority must be subject to a very different set of influences from that which plays upon our British political parties. A Chamber responsible to public opinion for its acts and free constitutionally to make its will effective, must keep in touch with every phase of the public mind and must make itself responsible for every step in national evolution. The parties in such a Chamber have to pay far more attention to method and immediate programmes than to abstract principles, though they must find principles necessary as the mould in which to fashion programmes, and as the lamps by which to guide their steps. They will be far less able to take purely negative attitudes, and they will have far fewer opportunities to vote on separate measures without reference to the complete work of sessions and to the governments that are in power. The consequences of their action upon the general political situation, the relation which every question bears to the larger programmes and to the advantage or disadvantage of other parties must be ever in their minds. In other words, whilst the eyes of the parties in an irresponsible legislature like the Reichstag are fixed upon the horizon, those of the parties in a responsible legislature like our own House of Commons are fixed at their feet. To-day and to-morrow are of relatively small consequence under the former conditions; they are of the greatest importance under the latter conditions.

Under the former conditions hard and fast lines can be drawn between parties; under the latter there are transition groups which blur the great divisions. Hence, when Socialism as a movement arises in a state which is governed autocratically like Germany, it does not influence legislation from day to day. It frightens rulers and in that way gets certain things done, as Bismarck was compelled to pass Socialistic legislation in his attempt to cut off at its source the discontent from which the Socialist movement was recruited. But that is a different thing from influencing the creative opinion of a nation and making that opinion more and more sympathetic and more and more friendly in all its actions. Under a democracy every Socialist advance tinges with red the opinions of the other parties. They compete with it for votes, and consequently if it succeeds in changing opinion it also changes parties. A dogmatic Liberal or Conservative party finding a habitation in the ancient creeds of individualism or of aristocratic privilege, is just as impossible under British conditions as is a similar Socialist party dwelling in a fairyland of economic justice. The practical results of the Socialist agitation in Germany and Great Britain may be the same, but the methods are quite different.<sup>1</sup>

<sup>1</sup> Although the difference I am pointing out is real, it must not be exaggerated. For instance, the German Social Democrats, as well as ourselves, discriminate between parties, and at the second ballots when they have no candidate of their own surviving, they do not, as a rule, abstain from voting, but support the party which

These differences do not depend upon some fixed differences in national characteristics, but upon political systems, and consequently the granting of real democratic liberty to the German parliament would bring the German Socialists face to face with exactly the same problems in political policy as the British Socialists have now to meet. The method of Socialism under democracy can never be cataclysmic, because changed opinions and outlooks will have a steady and uninterrupted influence on administration and legislation. What cannot be done at a ballot box in a democracy cannot be done at a barricade. Like cordite burning in the open, old conditions will be harmlessly transformed; they will not, like cordite burning in a confined place, become explosive. Social organisation will be changed here and there just as the makers of a fabric of elaborate pattern complete its design by adding this and that patch of colour in obedience to the complete artistic idea they are working out. Or perhaps an even better analogy for the change is that which takes place in an organism which is moving from one set of vital conditions to another. Its muscles, its digestive organs, its temperament alter in obedience to the subtle change of environment which is going on around it.

Every objection to Socialism based on the contention that no one can foresee all the

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comes nearest to themselves. In the Prussian State Elections they have even made official overtures to the Liberals.

details of the change which it involves and that, in consequence, there will be chaos the morrow after the first Socialist sun sets; that no one has produced a scheme for securing a supply of bottlewashers, navvies, newspaper editors, poets, and that therefore Socialism will break down for lack of variety in social functionaries—all these objections fail because they do not touch reality. The Socialist method avoids such disasters. The approach to Socialism is by the parliamentary method. Step by step we shall go experiencing every incident on the way and deciding stage by stage where the next day's journey leads, and whether the inducements and expectations point our way. The problems will be solved as they arise.

The characteristics of the method can best be understood by an examination of one of the conundrums put to us regarding the working of some of the details of the perfect Socialist state. The criticism proceeds in this way: Your Socialism assumes this and that (very often, be it noted, it does nothing of the kind), but men will never tolerate such a this and that, therefore your Socialism is impossible. Let us take as an example the question as to whether under Socialism there will be equal pay for all work. As a question of practical importance, nothing is more certain than that a Socialist state can yield a vast amount of benefit to its citizens whilst unequal incomes are paid to service givers. But there are some Socialist critics who insist upon imparting to Socialism a moral symmetry

which, undoubtedly, could it be maintained in working, would have valuable social results of an idealistic kind. How does the Socialist approach the question? He may admit that generally speaking the effort of, say, a first-class surgeon is not any more than that of an efficient navvy, though the skill of the former is far rarer than that of the latter, and is therefore rewarded to some extent as a landowner who can exact rent is rewarded.<sup>1</sup> He may further admit that it is quite conceivable that the attractions of the former calling are so great to certain types of mind, that they will be content to consider the mere opportunities to exercise their skill as themselves a precious reward, just as a healthy athlete requires no fee or prize-money to induce him to go a long walk. But if he is wise, he will content himself, so far as dogmatizing about Socialism is concerned, with the contention that this question cannot be settled now, and therefore cannot be discussed profitably except as a speculative exercise. We cannot measure the motives which will be in full play in the Socialist era. We know that to-day the desire to accumulate wealth is predominant in most professions; on the other hand, we also know that there are in every profession men who give service without a thought of how much it will bring into their pockets. Again, we know that under commercialism material reward is regarded as

<sup>1</sup> The wages of ability are partly of the nature of rent, because they are the share claimed by a holder of a monopoly.

the only tangible reward, that its amplitude is the public sign of success, and that men are taught to pursue it primarily. Further, we know that as the standard of ability is raised all round, the rent of ability will fall, just as the rent of land falls when the monopoly of land is broken. We are also justified in assuming that as the struggle for the necessities of life is ended, the motives for energy will become more moral and spiritual. That is about all we know. Therefore, when we have approached nearer to Socialism than we are now, different combinations of motives from those with which we have to deal will animate men, and so proposals regarding pay and reward which would be laughed at now as utopian may in the course of time become severely practical.

This also is the answer to such objections as that Socialism is impossible till human nature changes. Human nature is always changing, not in the sense of becoming new as when one puts off one suit of clothes and puts on another, but in the sense that the complex instincts, habits, opinions and motives of which it is composed, change their relative importance and produce different resultants in consequence. The Socialist method is that of moving out step by step and of walking by sight and by faith at the same time.

##### *5. The Scientific Method.*

The scientific method employs the processes of both induction and deduction. It groups

its facts, it marshals its particulars, it pieces together its hypotheses; then assuming its hypotheses and its systems, it explains its facts and its particulars by them. Galileo's experiments with falling bodies from which he arrived at the laws governing the rate at which a body falls through space, consisted of a grouping of ascertained facts; he enunciated the fact that a projectile travels on a parabolic path by a grouping of a more complicated set of facts; on the other hand, Darwin's work consisted not so much in proving the theory of evolution from a series of grouped facts (though he did that more than any of his predecessors), but in using that theory to explain facts, and so to this day we hear occasional disputes as to whether the Darwinian method was inductive or deductive, whereas, as a matter of fact, it was a scientific blending of both.

The Socialist method is the Darwinian method. It begins with social phenomena, with the rational desire to group them in systems, and with the equally rational desire to discover their causes and visualise their complete fulfilment. Its interest consists in the whence and whither of society.

What are the facts in which it is interested to begin with? They may be grouped under the generic term of poverty. I have shown that the source of this poverty is not only in personal shortcomings. If that were so, the interest which is the origin of the Socialist movement would only have raised a moral and an educational problem. The source of

poverty being largely social, being a recurring breakdown of the productive and distributive machinery of society, has created a sociological problem with economic, political and moral aspects. In short, the Socialist sees a machine that will not work, an engine which is always slowing up and breaking down, and he studies its mechanism to discover its faults. He finds that its parts do not work together, that its driving force is not properly distributed, that it generates an enormous amount of friction, and that all this arises because the machine has been thrown together by minds which had no conception of the complete plan of the mechanism, but which made a cylinder, and a wheel, and a piston separately and apart, and then tried to beat and hammer them all together into something like co-operative action. Such a machine cannot work, and such is modern industrial society.

The next step follows naturally upon the first. I have been using mechanical similes, but they are imperfect when applied to society, because they do not reflect that social characteristic of steady and consistent adaptation which is rather organic than mechanical in its likeness. In society, the Socialist discovers this tendency of readjustment to secure economy in the expenditure of energy. The law of readjustment pervades all life. The deaf develop the faculty of quick vision or sensitive touch, the blind of keen hearing. The plant in new surroundings, either by adaptation or by natural selection, changes



its leaves; its flower, its fruit, its roots, so as to protect its life. The animal bows to the same necessity. This adaptation may be the result of something akin to what we call consciousness, it may be merely a mechanical adjustment between thing and circumstance; but the result is the same—variations which are economies in life. So, superfluous organs atrophy and disappear. No organism can flourish hampered by useless or clumsy organs.

Now, when the Socialist searches society for evidence of the operations of this law of adjustment he discovers it all round him in the form of gropings after more co-operation and more organisation. He finds law controlling economic power and imposing social responsibilities upon individual ownership. He finds the common will and the common well-being putting a bridle on the neck of the individual will and the individual interest. Thus he sees society beginning to assert itself again as a personality of all the persons, absorbing and transforming individual advantage into common advantage. The weak are no longer left unprotected against the strong. Children are educated, and steps are being taken to vindicate their right to food, clothing, medical attendance, play. These steps are hesitating and they have not been well considered; but they indicate the existence of a social will working for a common advantage. The same is true regarding women, whose physiology and psychology make them economically weaker than men; it is true of the aged; it is becoming true of the

unemployed. From this investigation the Socialist rises with a clear conception of the social will and conscience becoming active in establishing a system of protection of the unequally circumstanced, which will secure to each individual an adequate measure of individual development and freedom. He believes that that is to continue. What is now merely sympathetic, will become rational; what is detached will become systematic. The rights of children, for instance, will soon have to be related not only to the convenience of the state but to the responsibilities of parents, and the responsibilities of parents will in turn have to be set in a system of family organisation far stronger than what can ever be experienced under capitalism. All this the Socialist works out from what he sees going on round about him. He completes "the broken arc"; he carries on in idea the tendency which he sees beginning to operate now; from the walls of the temple so far built, he can anticipate the architect's idea, continue the lines, and form some conception of the completed fabric.

The same thing is true regarding the capitalist control of industry. The law of economy is at work here too. Concentration is going on. The individual capitalist gave birth to the joint stock company, the joint stock company gave birth to the trust. The village market was merged in the national market, and that in turn was merged in the world's market. Separate businesses in related processes of production and distribu-

tion were united, and after that more kindred businesses were added and all controlled from one centre. Thus concentration and co-ordination proceed apace. Still, there are great gaps in the growing order. Land, labour and capital are far from harmoniously co-operating in the production of wealth. And the Socialist, seeing what has been done, and discovering the rational principle upon which it has proceeded, can project into the future the further embodiments of this principle, and from what is going on make the most effective preparations for the completion of the work.

Similarly, regarding what is really the crux of the whole problem: What interests are to control the new order? The whole community or a class?—the Socialist pursues the same process of inquiry. He finds that the control of the land is beginning to pass into the hands of the community. This is particularly noticeable in new settlements, like Australia, where forethought is determining legislation, and where that forethought is not hampered by deeply-rooted vested interests. But the pressure of circumstances is also compelling older states like Germany and ourselves to act in the same way. He also finds that many services, like the supply of gas, water, trams and trains, are being taken from private management and provided by the municipality or the central government. These services are monopolies for the establishment of which the public consent is required, and they are being municipalised

for reasons of public convenience and profit. Another group of services is passing under public control for reasons of general health and well-being. The erection of working-class dwellings and the supply of milk by municipalities are typical of this kind of service, and the medical inspection of school children lies in the same category. In this movement towards municipalisation we have a proof that the community, as an organised whole, is to control in its own interests those forms of capital, the use of which is vital to its own well-being, and is making itself responsible for services, the qualities of which must be kept high, but which competition and private interests lower. Control by inspectors is the first stage, but in the end responsibility for direct service is being accepted by the more enlightened and progressive municipalities of the world.

“This is not Socialism,” reply many critics. It is not, but it is the earnest of Socialism. For the Socialist sees that many forms of capital and many public services are assuming, with time, the characteristics of those which with an all but common consent are passing under public management. In Great Britain, the very same reasons which justified the municipalisation of trams exist to justify the nationalisation of canals and railways; we are on the verge of a great revolution in the care of public health, which will bring us near to some form of nationalisation of the medical service; in countries like America where the trust has firmly established itself and has

already shown its full social results of good and evil, the cry is being raised : " Let the nation own the trusts."

Such is the Socialist survey not merely of things as they have been and now are, but of the drift of things. The oceanographer puts out his little floats and the currents carry them hither and thither; thus the investigator knows whither the waters run, and he maps the path of the drifting streams until he has mastered the circulating system of the sea. The naturalist gets his bone or his tooth, and from it he can build up, limb upon limb, muscle upon muscle, organ upon organ, the unknown animal of which these things were parts. The student of human nature from a casual remark, a glimpse of a man's library, his poise in walking, can tell what manner of man he has met and his life lies open to the observing eye like a book. So the sociologist, by studying the social changes going on around him can map the drift of progress; by noting the motives and the assumptions upon which men act, can trace the course of history through some part of the misty future; by discovering the dream cities which men have built in their hearts as abiding places for their souls, can tell what social fabrics they are to raise by legislation and administration as dwelling-places for their reason.

## CHAPTER VII

## WHAT SOCIALISM IS NOT

AN examination of some of the objections urged against, and the fears entertained regarding, Socialism will enable me to explain its principles and elucidate its methods and point of view still more clearly.

1. *Anarchism and Communism.*

First of all I shall deal with the relation of Socialism as a system of political and economic thought to other systems with which it is often confused—particularly with Communism and Anarchism.

Communism presupposes a common store of wealth which is to be drawn upon by the individual consumer, not in accordance with services rendered, but in response to "a human right to sustenance." It may be in accordance with Communist principles to make this right to consume depend upon the duty of helping to produce, and to exile from the economic community every one who declines to fulfil that duty. Some Communists insist that one of the certain results of their system will be the creation of so much moral robustness that in practice this question will never arise for actual answer. But be that as it may, the distributive philosophy of Communism is as I have stated, and it contains the difference between that system and Socialism. "From all according to

their ability; to each according to his needs" is a Communist, not a Socialist, formula. The Socialist would insert "services" for "needs." They both agree about the common stock; they disagree regarding the nature of what should be the effective claim of the individual to share in it. Socialists think of distribution through the channels of personal income; Communists think of distribution through the channels of human rights to live. Hence Socialism requires some medium of exchange whether it is pounds sterling or labour notes; Communism requires no such medium of exchange. The difference can best be illustrated if we remember the difference between a customer going to a grocer and buying sugar, and a child of the family claiming a share of that sugar next morning at the breakfast table. Or the position may be stated in this way: Socialism accepts the idea of income, subject to two safeguards. It must be adequate to afford a satisfactory standard of life, and it must represent services given and not merely a power to exploit the labour of others. Communism only considers the sum total required by an individual to satisfy his wants and would limit consumption only as regards the use to which it is put.

Communist economic theories are often joined to Anarchist political ones, and in this conjunction are not unrarely confused with Socialism. Anarchism as a political theory (as a mode of political action the word has a totally different significance) is the negation of the coercive state, and there is far more in

common between it and anti-Socialist individualism of the Herbert Spencer type than between it and Socialism, of which it is indeed the direct antithesis. The Anarchist theory presupposes either no state, or a state bound together by moral and social motives by which is maintained a purely voluntary relationship. So we may express the difference between Socialism and Anarchism as being political, the one believing in the continuance of the legislative, and therefore coercive, state, the other believing only in an administrative and voluntary state.<sup>1</sup> Anarchism is in reality a form of individualism and cannot be dissociated from individualistic theories.

There is another difference. Underlying the philosophy of Anarchism is the belief in the goodness of human nature, which, with the exception of the doctrines of Fourier also shines so brightly in the beliefs and expectations of the earlier Socialists. The Socialism of to-day does not build itself up upon the goodness, but upon the sociality, of human nature.

Besides, as a matter of experience, all over the world, from France to America and from Italy to Japan, the Anarchist movement is in conflict with the Socialist movement, and the earlier history of modern Socialism is storm-

<sup>1</sup> It is true that some of the fathers of modern Socialism wrote of the final disappearance of the state, but as I have shown elsewhere—*Socialism and Government*—this is only a verbal declaration, the idea of the state being essential to Socialism.



swept by the furious conflicts of Anarchism with Socialism. And yet, by a curious twisting of actual fact, many people associate these two opposing systems of political thought, as though they were the same, the reason probably being that every kind of opposition to the existing order is grouped together and made identical in minds not accustomed to discriminate in an intelligent way.

## 2. *The Abolition of Private Property.*

An examination of the current notions regarding the Socialist view about property and what is indeed the real view is equally enlightening. The common idea is that Socialism proposes to abolish private property. That is no less mistaken than is the view that Socialism and Anarchism are one and the same thing. Private property in one of its aspects is a limitation of the liberty of the woods, under which he who had the power took what he wanted, and of the struggle for life—although it may be used to revive this ancient form of liberty and this objectionable method of selection. It puts an end to the strife of keeping—although it may be used to exploit. It runs counter to the physical struggle of the survival of the fittest individual and secures the survival of the fittest community. Of all that Socialism approves, and it consequently aims at eliminating the evil consequences of private property and realising its desirable possibilities. Its proposals and views regarding

private property form part of its general purpose of preventing the growth of private interests which prey upon, or are otherwise antagonistic to, social well-being.

It is said that the existing system is based upon the right to private possession. That, however, is a profound mistake. The oft-quoted pronouncement of John Stuart Mill may be quoted again, for it has lost none of its force and none of its truth. He wrote:<sup>1</sup> "The reward, instead of being proportioned to the labour and abstinence of the individual, is almost in an inverse ratio to it : those who receive the least, labour and abstain the most."

That is, indeed, the position. How any one after reading the reports of any investigation made into social conditions to-day, or after studying the statistics of wealth distribution in this or any other industrial country, can continue to harbour the delusion that society is kept going because the individual possesses private property, is unthinkable. The facts do not fit in with the theory. One of the most dramatic features of society to-day is the vast number included in the propertyless class. Nine-tenths of the wage-earners of the country work with no thought of accumulating property, but with the sole idea of making ends meet day by day, and week by week ; the remainder see no fairer prospect ahead than the saving of enough money to invest in some insurance club or to lay by in preparation for the inevitable

<sup>1</sup> *Fortnightly Review*, 1879, p. 226.

time of trade depression and unemployment. If it were true that men will work only to own property there is not the inducement for a single week's hard manual labour in modern society. The significance of working-class savings is constantly exaggerated. Only in the very rarest of instances do they give extra enjoyment or mean a higher standard of life; in nearly every case they simply lie in reserve lest a misfortune should come, and they are not sufficient to remove or to modify the one economic motive which makes the working classes toil, namely, the fear of speedy hardship if they cease to toil. They are useful in the day of trouble; they are not large enough to be of appreciable value in the day of steady work. If men could be insured against unemployment and sickness, the workman's savings would cease to have any influence upon his life.

Only a few, a very small class, enjoy to-day the pleasure and the freedom which comes from private property, and a great part of that class has ceased to give active service to society. They loan money rather than use it; they abstract rents rather than make profits. Though it may have been true some time ago that the stream constantly flowing from the status of workman to that of employer, gladdened the heart of the workman and held out prospects to him that one day he might embark on its waters, that stream is very narrow and very shallow now, and, in comparison with the multitudes who never start upon it or who sink in its upper reaches,

those who navigate it successfully are insignificant in numbers. Nor are the prizes so good. The master with his independence, his property privileges and liberties, his dignity, has become a manager, a director, with no dignity and very little honour. He has become merely a rich man, and the glamour which civic office, local influence and general respect used to throw upon riches has gone, and has left them cold, glaring and vulgar. Hence the recent changes in business organisation have altered the nature of the appeal that is made to the ambitious plebeian. A generation or two ago the man rose to honour, and that had a selective effect upon the kind of man who rose; now-a-days the man rises to money, to salary, to warehouse and factory authority, and nothing more, and that also has a selective effect on the kind of man who rises. The second method of selection gives poorer results than the first.

Not only do the facts of wealth distribution contradict the assumption that it is the possession of private property which is the basis of our society, but the kind of enjoyment attached to commercial success which is being evolved by business changes is not so great as that which, so far as social respect and personal liberty are concerned, was the lot of the business man who managed his own capital and felt himself and his wealth integral parts of his town to be spent in the service of the town.

The truth is that society to-day is based on the fact that the majority of people can

never acquire enough private property to give them much liberty of action and choice in consumption, and that is one of the gravest charges brought against it by Socialism. The reward for which men work to-day, is not private property, but a week's wages.

Now, what is the Socialist view?

The Socialist assumes that individuality requires private property through which to express itself. Man must control and own something, otherwise he does not control and own himself. And as Socialism is not a cut-and-dried set of dogmas to be pieced into a system like one of those puzzles made by cutting up a picture into many confusing fragments, but an idea which is to be realized by a continuation of experimental change, we may rest assured that none of the incidents which are to be met with on the way will abolish private property. The ownership of things will always be a means of expressing personality, and this fact will not be forgotten in the evolution of Socialism. Indeed some Socialists—for instance Kautsky, the most uncompromising of Marxists—have stated that people might own their own houses and their own gardens under Socialism, and provided there is a proper system of taxation intercepting unearned income in the shape of economic rent there is nothing in this concession contrary to Socialist theory.

It also follows from this that objection to inheritance is not an essential part of the Socialist system. The Socialist need not object to the bequeathing of private property

as such; he only objects to bequeathing it under conditions which determine that the inheritance of the multitude must be poverty.

In discussing this and kindred questions two guiding facts ought to be kept in mind. The first is that Socialism, on its moral side, is a means to the establishment of true individual liberty; and the second that Socialism, on its economic side, is a system under which an end will be put to exploitation. The second purpose of Socialism is that which sets the bounds to the ownership of private property.

All through history the limitation of the subjects and the rights of property has proceeded side by side with the expansion of liberty. Property in human beings has had to be denied, but it was defended most stoutly and was held to be an unassailable right by philosophers and humanists, as well as by the classes that enjoyed it. And yet the mere liberation of the human body from the scope of private property is not sufficient, because it has been found that the human will—the human personality—can be put in bondage through certain forms of economic possession, so that unless men are to abandon their pilgrimage in search of liberty they must supplement their anti-slavery campaigns with campaigns designed to put an end to private property in those economic forces which may be used to produce a slavery of the will. Now, how is property used at the present time?

In the first place, its chief function to-day,

from my present point of view, is that of exploitation. In the form of capital it is required by labour, and with the increase in the amount of capital required to carry on modern industry labour finds it increasingly difficult to be more than the agent of capital and to avoid being the slave of capital. Ledger balances, not moral or human considerations, assign a place to labour in the industrial system. And as labour loses its power to bargain effectively with capital,<sup>1</sup> it becomes more liable to be ground down in the competitive market in which it is subject to the same laws as any other commodity. Thus it has come about that the ownership of property, justified as it is by the fundamental characteristics and the most primitive requirements of human nature, becomes an instrument for depriving great masses of people of property. The private ownership of the means of production implies the private ownership, by the same class, of the products themselves, and that again implies the exploitation of the workman and his condemnation to a state of poverty. Thus the present system upholds private property in such a way as to confine private property to a comparatively small class in the community.

The present system fails to do the very thing which it proposes to do, because its lack of design means that it defeats itself in its own working. It is like a man so disorganised in his nerve centres that every time

<sup>1</sup> Cf. Chap. II., p. 50.

he lifts his hand to strike some one else he injures himself.

This is particularly true of private property in natural monopolies, like land. The experience of every people in the world, whether it be a barbaric tribe or a civilised nation, is that, when land becomes subject to private proprietorship, poverty inevitably follows.

In consequence of this the Socialist has come to the conclusion that where industrial capital is not the subject of communal control and use, and where natural monopolies are in the possession of individuals, it is economically impossible for masses of people to acquire private property at all. The socialisation of certain forms of property is a condition necessary for the general diffusion of private property. The nationalisation of industrial capital and of the land is therefore not the first stage of the abolition of all private property, but is exactly the opposite. The result of the operations of a society which allows private property in everything, is determinedly a law of concentration and accumulation, the effect of which may be expressed in biblical language: "Unto every one that hath shall be given, but from him that hath not shall be taken away even that which he hath." The idea that capitalist society is based on private property is a mere chimera.

### 3. *The Negation of Liberty.*

So too as regards liberty. A common view of Socialism is that it will crush liberty out



by its laws, regulations and uniformities. Those who take this view look upon Socialism as a ponderous organisation under which the state will own everything and prescribe how people are to do things, what trades they are to follow, and how they are to employ their leisure moments.

The first answer—and indeed it is the only one worth making—to these objectors is that if they really know what Socialism means, and if their description of it is not a caricature, it is so absurdly irrational and so contrary to human nature and purpose that no one can advocate it except those with twists in their minds, and no community of men will ever adopt it. Socialism would then be but an aberration of the human intellect, and so far from being a serious movement, it would only be a curiosity. This conclusion, however, is so inconsistent with what we know of the intellectual strength of the Socialist ranks, so inconsistent too with its power upon the minds of men, that it must be drawn from premises of error. And that is so. The critical description of Socialism to which I have just referred is a mere clumsy caricature.

I have just explained the Socialist position regarding property, and from that it must have been clear that one of the specifically declared intentions of Socialists is to create the conditions of liberty. Hitherto our ideas of liberty have been narrowed and misled by the pursuit of political liberty. We are just at the end of the liberal epoch, and the liberal epoch is that of the middle and the

commercial classes, the classes which enjoyed economic power, and which therefore had to agitate for, and philosophise about, political enfranchisement only. From their particular point of view political enfranchisement was precious as a stamp of social status and as a means of destroying certain inequalities and impediments which the commercialist nineteenth century inherited from the militarist middle ages. Thus the liberty of the liberal epoch meant a condition in which a comparatively small number of people held economic power in a state whose positive political activities were reduced to a minimum. The ring of life was to be kept clear and the heavy-weights were to be allowed to dominate it. Such a view of liberty could not be more than a passing thing, could not yield acceptable fruits. But that is the intellectual inheritance with which this generation is encumbered. We have to begin anew our search for the talisman.

First of all, we have to understand that liberty is conditioned; and then we have to understand that it is something which relates to qualities, and not only to quantities.

It is conditioned, for if a man is dependent upon another man's bounty for his very existence, he may live under a state of the most beautiful moral anarchism and yet be a slave. I have shown that owing to the enormous growth of the economic power in modern society, the real effective control on man's outgoings and incomings is becoming more and more economic. To express

this, the Socialist uses the term wage-slavery. Much objection is taken to this term, in the elaboration of which we are treated to instructive lessons on the characteristic features of chattel-slavery, all of which are beside the mark, simply because wage-slavery is not chattel-slavery, and no Socialist confuses the one with the other. The characteristic feature of wage-slavery is that men are absolutely dependent for their living upon other men in an economic system the workings of which they cannot control—that the machine, the market, the hierarchy of commercial magnates hold the man in their keeping. Or it may be put in the form of a self-evident proposition thus: If liberty is conditioned, he who controls the conditions controls the liberty. This is one of the reasons why Socialists assert that commerce and the capital required for carrying it on must be under collective, and not individual, control.

But, it is said, whilst the Socialist would submit the economic conditions of liberty to communal control, that control under Socialism would become a tyranny in other ways. It would fashion laws and regulations which would hamper liberty and put shackles upon individual initiative and action.

This consideration is serious only to those who have never grasped the democratic character of the Socialist state. For that state will not be a vast centralised bureaucracy with its head-quarters in imperial offices in Whitehall. Already, thanks very largely to Socialist influences, decentralisation is

beginning to appear in our system of administration, and we are preparing to consider views which will have very far-reaching practical importance regarding the relations between central and local legislation and administration. The tendency to decentralise will undoubtedly proceed *pari passu* with the tendency of the state to co-operate more definitely with the individual in working out his liberty.

When this truly democratic view of the state is definitely grasped, the ominous character of the objections I am now considering changes. The frown melts into a smile. The officers who call upon happy families to take to a state institution the latest born so that it may grow up under the inspiring impartiality of a number rather than be weighted and prejudiced by a soft-hearted mother and a family name, appear to be nothing more substantial than the hobgoblins of our youthful days which made us lie awake at nights or run home in the dark with our hair on end. Whole troops of anti-Socialist horrors dissolve into something less real than shadows when sane adults look at them a second time.

Like all crowds, all tribes, all companionships, the Socialist community will be swayed by two contrary motions, the coercion of discipline (the common life) and the freedom of will (the individual life); and each will have an absolute sway in some fields, and in others will have to accept compromises, limitations and modifications. But the prob-

lems which this conflict will create will belong to the Socialist state itself, which will certainly not be a stagnant state, and they need not be discussed in detail now. All that has to be done at present is to emphasise the fact that the impulses which have driven men so far on the road in search of liberty will cross the Socialist boundary and remain in full operation after that.

And we must also insist that laws and regulations are not only not antagonistic to liberty, but are the very conditions of liberty. They are the expressions of the social life; they are the signs of warning, the directing finger posts which the experience of the past has set up for the guidance of the future; they are the wisdom which men have picked up on the way. They are, so to speak, the hard bony structure of conduct which supports—and which alone can support—the mobile activities through which the free will finds play. Moreover, they are what may be called the economies of liberty. For liberty is like wealth, in that it should be carefully used if it is to fulfil its purpose. Laws and regulations prevent its misuse, and make easy its proper use. Where two persons use the road, they have to devise some rule of the road; where two persons do business, they have to agree to the conditions of contract; where two persons form a community, they have to provide for common liberty as well as for individual freedom. Liberty is an adjustment of opposites. When Liberty is sovereign, Control is her chief adviser.

Indeed, liberty in a society becomes a department of duty, not of right, because individual activity can so easily become anti-social and destructive. Consequently, liberty is less a matter of breadths, than of heights and depths and of infinite extensions ahead. The liberty of a boat on a river is not to go hither and thither from bank to bank as the whim of the helmsman directs, but to keep its course according to the rules.

From this view, one cannot blot out the fact that liberty ultimately must depend on human quality. The good man alone is free, and the good man is he who is conscious of his social obligations. "Take my yoke upon you" has been the advice of every great ethical teacher to men in search of liberty. Every restraint upon human activity, every form of restrictive legislation, is not wise, and is not Socialism. For restraint and law are but means towards ends and must accept the test which the complete Socialist theory itself must accept: Is it rational? Is it necessary? Is it a contribution to a wider freedom? But certain it is that when liberty is at last found—if that treasure is ever to be found by unhappy man—it will be in an organised state with just laws and a well-devised system of mutual protection and aid.

#### 4. *Equality.*

And there is one other aim which pilgrim man seems to be seeking to which reference must be made. Underlying the aphorism

of Kant that every man is an end in himself is a claim that there is something so special in the possession of human qualities, that it entitles men to stand on a plane of equality one with another. This claim has been associated with Socialism, and its critics have thereupon started on many a mad wild-goose chase after their own shadow. They even believe that they have run the thing to earth. For it is asked, How can men be equal? Equal in what? And so on.

What do Socialists mean by equality? They mean that the inequalities in the tastes, the powers, the capacities of men may have some chance of having a natural outlet, so that they may each have an opportunity to contribute their appropriate services to society. The co-operation of unlikes and inequalities in the production of a harmonious whole is the Socialist's view of the perfect community; at the same time it is his view of the only equality which human nature has ever sought. This is not an aim which can be reached at a given moment in life. It means that at stage after stage in the development of a personality opportunities should be given to it to advance in certain directions, so that in the end the man of artistic imagination may not find himself bound behind a grocer's counter, or the youth of mathematical genius be sent as a "little piecer" to a Lancashire cotton mill.

Consequently, the purpose is generally stated as being to secure "equality of opportunity." Every child starts with every door open in

front of him and as he goes on he finds no one closed against him which he can profitably enter. It is somewhat difficult to deny the justice and desirability of such a plan, and as a rule the Socialist is met, not with that opposition, but with arguments showing that Socialism far less than capitalism will solve the problem of how to keep poets away from the backs of counters and young mathematicians from mules. With that I shall deal in the next chapter. Mr. Mallock, however, is bold enough to try and enter the lists against us on the merits of the idea itself. Nobody misunderstands Socialism so courageously as Mr. Mallock, and I refer to his argument in order to make the Socialist idea clear. He says<sup>1</sup> that the idea is purely abstract and has to be brought down into touch with actuality. And this is how he does it. It implies, he says, that at the beginning of industrial life all should start at the same place and in the same path. That is absurd. If two boys start German together, he argues, one will learn faster than the other, and therefore there is no equality of opportunity between them. Which again is absurd, for the equal start is the equality asked for. His third point is that under Socialism an employee of a state factory would have no more equality of opportunity than an employee of a private concern. Whether he has or has not may be a debatable point, but as I shall try to show in my next chapter Socialist industrial organisation will allow

<sup>1</sup> *A Critical Examination of Socialism.* Chap. XV.



the best men the widest scope of usefulness which can only be secured by equal opportunities for those who run equal up to the point of entering industrial life. He then turns to discuss inventions and inventors, and returns to his subject to point out that failures must be weeded out—a certain result of equality of opportunity. This brings him to wind up his argument, and in surveying it a suspicion seems to have stolen into his mind that he had to pin up its rather fragile structure. So he admits that “an equality of opportunity which is relative” (whatever that may mean) may be a useful ideal, but that “the absolute equality which is contemplated by the Socialists [wherever he got that notion] is an ideal which either could not be realised at all,” etc. etc. He set out to discuss equality of opportunity to use faculties; he concluded by pointing out the absurdity of supposing that every man could do the same thing, rise through life in the same way, demand the same kind of facilities, and test, at the expense of the state, whether he was really as great a genius as he himself believed—not one of these points being involved in the proposition which they are supposed to destroy. Mr. Mallock’s fifteenth chapter is an admirable illustration of the intellectual quality of the greater bulk of anti-Socialist criticism, and I have only referred to it because it has enabled me to throw up into clearer light what the Socialist view of equality is by indicating what it is not.

*5. Economic Determinism.*

There is another class of objections to which it will be most convenient to refer at this point. They arise from the mistakes of Socialists themselves, and are an inheritance from the first generation of "scientific Socialists." It was necessary that Marx and his contemporaries should attempt to devise some shibboleth which would sharply mark off Socialism from other theories of social reformation and from vague expressions of philanthropic goodness, and not a few of these attempts have suffered and have failed because, in addition to embodying what is essential to a Socialist creed, they have also reflected what were the personal views of the writers on unessential matters, or they have been coloured and moulded in the thought of the time when they were first stated. I shall deal with two of them.

Socialism to-day suffers because it has received an inheritance of scientific materialism from the middle of the nineteenth century, when the intellect of the West was occupied and entranced by the discoveries of biological science, by the rude shaking which biological evolution gave to spiritual expressions and phenomena, by the systematic orderliness in which economic explanations set many historical events, and by the enthusiasm for materialist solutions which was natural to the time. This gave rise to the shibboleth of the materialist conception of history, which a section of Socialist

thought still tries to impose on the Socialist movement. The materialist conception of history is the view that the motive for historical change has been primarily economic. Indeed, by using the word "motive" I weaken the necessitarian character of the materialist theory. For, strictly speaking, motive is alien to it. It works mechanically. The expression "economic determinism" conveys the idea more accurately. This theory, which was held by the fathers of modern Socialism, is a characteristic production of the thought of the middle of the nineteenth century. The influence of physical conditions upon human action was then a plaything of the intellectuals, and the toy was handled with the most whole-hearted affection by Buckle in his *History of Civilization*; but Buckle was an individualist of the most rigid kind, so the theory itself is not of necessity Socialist. It was a revolt—an exaggeration of a new and attractive explanation of historical evolution. It drew history away from the dimly understood realms of the spirit and of destiny which really belonged to revealed religion, and from explanations of the vaguest kind, and made it a deduction from climate, from soil, from geography, from geology and above all, from personal and class interest. The theory was so very simple, so very sweeping and comprehensive, explained so much, and was so very new, that the Socialist was bound to adopt it because the existing order which produced the very ugly social features of which he was the sworn enemy

was generally defended on theological and metaphysical grounds, or was presented as the fruit of the work of great men, with the result that it seemed to be outside the realm of reason altogether and not subject to a law of evolution. Suddenly a new scientific idea exploded the whole of this, as Guy Fawkes proposed to explode James I and his Parliament. History became a record of social evolution; society had an orderly process of change as well as man or a grain of sand. Kings and nobles were functionaries; reigns were mere commas in the story—sometimes not even so much—and not the beginnings and endings of paragraphs and chapters. One epoch produced the next, the explanation being that economic adjustments were taking place, and that these adjustments were constantly marshalling and re-marshalling the armies of reaction and progress, which for ever were coming into conflict with each other and changing the balance of power within nations and also the methods by which that power was used and expressed. To no active propaganda of the time did the secularisation of historical theory yield more immediate or more abundant fruit than it did to the propaganda of Socialism.

But the materialist conception of history is after all one-sided and inadequate. The service it rendered was the establishment of the science of history by the setting up of a deductive method as well as an inductive one. Having rendered that service the toy

began to show signs of wear. It did not satisfy every need. It did not meet every emergency. Its assumptions can never be displaced from the motives in history, but they cannot explain events when considered absolutely and alone. The progress of man is not solely inspired by his pocket, nor by the soil upon which he lives, although these things must always be factors. The hill tribe must have different characteristics from the plain tribe. The exploited people must come into frequent conflict with their exploiters. A wealthy class of disfranchised people must knock at the gates of citizenship demanding admission. But in these conflicts every human quality must have been awakened and must act as allies. Moreover, looking into the future, as true education spreads and comfort becomes more real, the more materialist motives are bound to diminish in their importance in relation to the intellectual and moral ones. If self-respect were a widespread virtue in England to-day, the conflict of the House of Lords with the House of Commons would be much more disastrous to the former than it will be if the economic interests involved are the only incentives to the contest. It is the mind of man, with its ideals, its sense of right and wrong, and its aspirations which makes economic poverty and injustice a serious grievance and gives them that explosiveness which makes them a cause of revolution. We now see all this, and in marshalling the motives which make for change, and which accomplished what change

has hitherto taken place, we give due place to those that are intellectual, as well as those that are materialist and economic.

The materialist conception of history is, therefore, in no way essential to the Socialist theory. It undoubtedly was of enormous service to that theory about the middle of last century, but its service to Socialism was of precisely the same nature as its service to the science of history. The Socialist theory depends upon a conception of history which shows the gradual evolution of event, of epoch, of organisation; it does not depend upon any one explanation of why history does present that orderly progress.

Indeed, that is conclusively shown in the writings of Marx and Engels themselves. When the opponents of Socialism seek to raise prejudice in their favour by quotations from these writers which smack of economic determinism, they glean their extracts from the earlier statements of the theory written when, as Engels afterwards explained, "there was not always time, place and opportunities to do justice to the other considerations concerned in and affected by it," (the economic factor).<sup>1</sup> All that either Marx or Engels (Marx putting more emphasis on the economic factor than Engels, perhaps) meant to argue for was that the economic factor was the prime moving cause. The other causes could not operate without it; it awakened them into activity. I may use the words of Engels himself written to the magazine

<sup>1</sup> Letter in the *Sozialistischen Akademiker*, October 1895.

from which I have already quoted: "The political, legal, philosophical, religious, literary, artistic evolution rests on the economic evolution. But they all react on one another and on the economic basis." Thus, at best, the problem resolves itself into the relative value of the various creative forces, and, at worst, into a vain contention similar to that as to whether the egg or the hen is first in creation.

When the theory was new, it had to challenge in a most aggressive way those that held the field. It had to be couched in dogmas of sharp cutting hardness. That is the history of most theories. They claim absolute validity at first and are satisfied in the end by a recognition of the fact that they are of relative importance.

#### 6. *Class War.*

Another inheritance from the imperfect views which had to guide the early Socialists is the theory of the class war. Here, again, the superficial statement is one of facts of which we have illustrations every day. Wage-earners combine in trade unions. Employers combine in federations. Strikes and lockouts are declared. Trouble arises about wages, hours, exploitation, and so on. In politics the rich tend to drift together, and the active and intelligent poor tend to drift together. A temperance bill finds "the trade" organised to a man. A land tax finds the landowners and property-holders in

general ready to defend all their incomes, and to announce that if they are attacked, the whole of the social fabric is threatened. This is nothing but a class war so far as it goes.

The Socialist, however, has to consider what is the value of these facts for his propaganda and for the realisation of his ideal state. What do they mean and how much do they mean? One thing is quite evident. The existence of a class struggle is of no importance to Socialism unless it rouses intellectual and moral antagonism, for it is only that antagonism which leads to progressive change. And this explains best why the Socialist condemns this struggle which has become repulsive because it creates conditions of injustice, because it results in chaos and because it defeats the realisation of the ideal state of peace and comfort which the leading spirits of mankind have always placed before them as a goal. The motive force of Socialism is therefore not the struggle, but the condemnation of the struggle by the creative imaginative intelligence and by the moral sense. The conflict is an incident in an evolution towards complete social harmony, and the motive for the evolution is not economic but intellectual and moral. The Socialist, therefore, cannot consistently address himself to class sentiment or class prejudice. He, ought, indeed to look away from it, because any victory won as the result of siding with one party in the struggle only perpetuates what he desires to eliminate.



The appeal to class interest is an appeal to the existing order, whether the class addressed is the rich or the poor. It is the anti-Socialist who makes class appeals; the Socialist makes social appeals. Class consciousness is an asset of the defenders of the existing order of exploitation. It is evident in the wide social gulf fixed between Liberals and Conservatives, it is behind the boycott of Liberal shopkeepers by Primrose dames, it is the reason for the advice given through *The Times* at the end of 1910 to society hostesses to send no invitations to Liberal ministers.

The class war found its way into the general body of Socialist dogma quite simply. Marx saw that no proletarian movement could be created in Europe without some passion. The wage-earners had to *feel* the enemy. They had to be marshalled as a class. The theory of economic determinism in history was a theory of a war of classes. By a conflict between economic classes progress had come. Economic determinism, therefore, not only laid a scientific basis for Socialism, but also provided it with a method. But as the determinist argument was modified, the class war view had to suffer a corresponding modification. When the doctrine of economic determinism was preached in its absoluteness, the class war in all its naked antagonism was a logical corollary; when other than economic factors form the evolutionary drift of society, other motives than those of class interest must form the political parties that are consciously aiding the Social-

ist evolution. When Engels wrote the apologetic confession which I have just quoted, he also threw the class war as it had been understood up to then out of the armoury of Socialist arguments. The idea of the class war no longer represents the motive forces organising Socialism and forming the Socialist movement. Those who still use it are like those more backward religious communities which express their theologies in the terms used before there was a science of geology.

## CHAPTER VIII

### THE IMMEDIATE DEMANDS OF SOCIALISM

#### 1. *Democracy.*

BEARING in mind that the watchword of Socialism is Evolution, not Revolution, and that its battlefield is Parliament, its immediate programme becomes of the utmost importance. In this programme, as in the Socialist theory itself, there are to be found some interesting survivals of a historic past. The revolutionary republicanism of 1848 can be traced both in proposals to abolish the monarchy and to repudiate the National Debt which one meets with in some programmes which seem to have been kept as sacred from the touch of change as some rooms in ancient places where the Merry Monarch slept or

the Young Pretender hastily laid his head. In democratically governed countries where Socialism has had to take its place in the political conflict of actualities not only have these antiquities been left behind amongst the discarded baggage, but they hardly influence Socialist thought. The virtues of republicanism and the conveniences of a monarchy are subjects of abstract interest which may ruffle for an hour the surface of debating societies, but in this country and under present circumstances, they do not cause a ripple in Parliamentary controversy or take up a line in Parliamentary programmes. One can conceive of a time when a foolish monarch and foolish court advisers might make the question a practical one by interfering in politics as the House of Lords recently did when it rejected a Budget. In such a case, the Socialist movement would be bound to stand for democratic control, and it would strive for root and branch changes. But from the purely practical point of view, Socialism, as is shown by the writings of many of its most distinguished exponents, of whom I may mention Lassalle, does not consider republicanism of essential importance. Theoretically it would say that a republic is a more intellectually defensible system of government than any other, and there it would leave the matter for the folly of other people to make it of practical moment.

Socialism declares for the sovereignty being in the hands of the people; it is opposed to property being the qualification for voting;

it rejects all fancy franchises and all fancy checks, not one of which, according to the experience of the world, has ever worked; it bases the right to vote on the experience that men have had living under the state which they control; it therefore stands for the widest possible suffrage. Nor does it consider that men alone should vote. So soon as the state begins to act closely with the individual and to concern itself with wages, labour conditions, public morals, children, the experience of women must guide it as much as the experience of men. A masculine state can never fulfil the functions of a Socialist state.

At a time when the common people as electors were suspected and, if tolerated, certainly not welcomed, caution spun out fine theories about checks and counter-balances. There was to be some authority in the constitution, wise and impartial, conservative but not opposed to change, a break but not a spoke in the wheel, and it was to protect the nation from revolution and spoliation, from demagogues and scratch majorities. This authority was to consist of representatives of a section of the community and was either to be recruited by birth, or by people chosen from property voters, or from large constituencies which could be fought only by those possessed of much means. Later on, this theory was supplemented by another. The lower house was not always truly representative. It was elected on complicated issues, its constituencies were of unequal sizes, by the efflux of time

it drifted away from its mandates. Some authority had to be created which would judge when the democratic house was acting as a representative, and when as an autocratic, body.

The politics of Socialism have been constructed on a different plan. They offer no abject allegiance to representative government though they assume that in every state of considerable area and population the representative must be the legislator. The representative, however, needs to be checked, but the Socialist proposes to do that by the people themselves and not by a particular section of the people. Hence, the referendum and proportional representation present themselves to the Socialist in alluring garments, and undoubtedly in countries suffering from corrupt legislators and from gross injustice from an inequality of constituencies, these proposals may be entitled to the term "reforms." In our country, however, that name cannot be given to them. The former is but a clumsy and ineffective weapon which the reaction can always use more effectively than the democracy, because it, being only the power to say "No," is far more useful to the few than to the many, and that will be more and more the case as the many become enlightened. The other adds greatly to the expense of elections, offers increased opportunities for the manipulating caucus managers, makes majorities and governments more dependent upon stray odd men in the legislature, and returns to

Parliament a greater number of men than are there now whose votes represent no opinion and carry out no mandate, because so many will be returned on single issues—*e. g.* Temperance—but will have to vote on every question that comes before Parliament. The Socialist knows that democracy in government can be secured only by an efficiently working machine and not by an elaborate set of paper perfections of beautiful but intangible delicacy.

Shorter parliaments, payment of members, adult suffrage, is the Socialist machinery of democracy, whilst for further checks and safeguards resource can be had to one thing and one thing only, a higher political intelligence on the part of the majority of the electors.

## 2. *Palliatives.*

From the Socialist standpoint, Democracy is both an end in itself and a means to other ends, for, whilst the Socialist regards the Democratic state as the proof and pledge of completed citizenship, he regards political power as the means of social reconstruction and betterment. He therefore supplements his political programme by a social one, and this consists of two main sections. He proposes a series of measures to mitigate present conditions, and another series as the first gatherings in of ripened Socialist opinion.

In the first section are proposals dealing with factory and mine regulation and inspection, the feeding of school children, old age pensions. Some of these he defends on

principle, and they will be carried on into the Socialist state. Factories will be inspected to reduce accident risks under Socialism just as under commercialism, under Socialism injured workmen will be compensated, and workmen temporarily displaced or idle from no fault of their own will be insured against loss when Socialism has come in its fulness. The casualties and other accidents which beset the path of the workman are a fair charge upon industry. They are as much legitimate costs upon production as are the mending and renewal of machinery. Any other view is unthinkable to the Socialist. Industry must be carried on and its breakdowns must be provided for, and surely there is no more pressing—though to-day no more neglected—responsibility lying at its door than the proper care of the men and women who are the victims of its uncertainties and its dangers. The whole of this part of the Socialist programme, therefore, is aimed at securing that the human factors in industry are as carefully tended, and as jealously kept from deteriorating as machines and factory walls are now. When the community owns the machines it will not regard them as of greater value than the people who work them, for it will be as interested in human efficiency as capitalists are now interested in mechanical efficiency.

A part of this programme, however, will be dropped when Socialism is attained. It is purely protective against conditions which the Socialist is determined to remove. The feeding of needy children is a case in point.

Under Socialism, family income will be equal to family requirements. It is far short of that to-day, and therefore if children are to be nourished, if they are to be kept out of the gutter, if they are to have the moral as well as the physical pleasure of a good meal served under proper conditions, the state must step in and do what the parents cannot now do. There is the gravest risk attending this kind of legislation, and only the most dire necessity can justify it. But when one sees the prodigal waste of child life, the reckless lowering of mental standards and physical fitness, the criminal destruction of good taste and manners which shadow our present failure to keep the family intact, one has to recognise that steps must be taken immediately to stop this deterioration whilst its cause is being dealt with by action which takes longer to complete and which produces results in a provokingly slow way.

Some of the critics of Socialism seem to assume that Socialists alone commit themselves to this kind of action. But that is not so. All other parties do the same kind of thing. The Socialist, however, never loses sight of the completed work and its results. For instance, some people tell us that we must have religious education taught with the multiplication table and Latin in our schools, as if such education could be of the least value to any one. Their excuse is that if it is not taught there it will be taught nowhere else. The Socialist knows, however, that it cannot be taught there at all, and that the attempt



to substitute the schoolmaster for the mother, and the school desk for the fireside, is fatal to both religion and the child. So with divorce. As I am writing this book, a committee of worthy persons is sitting considering with the help of a great variety of witnesses whether the curse of unhappy wedded life can be mitigated by the other curse of easy divorce. The Socialist is like a man in a tangled wood, having to turn now to the right, now to the left, and even occasionally to turn back upon his steps, but guided all the time by a compass and a general map of the country he is traversing. The others are like the same man similarly beset, but without compass or map.

### 3. *Constructive Legislation.*

Finally, there is the constructive section of the programme—the section which lays the rounds of well-trimmed and prepared stones on the permanent Socialist fabric. Municipalisation and nationalisation in every shape and form, from milk supplies to telephones, are included in this section. But even here, the reader must be warned, the full intention of Socialism cannot yet be carried out. State capitalism is no more Socialism than is peasant proprietorship secured by public credit land nationalisation. The state can be as bad an employer as any joint stock company. It can exploit one class of users and consumers to benefit the class of tax and rate payers, just as effectively and objectionably as a limited liability company can

exploit consumers to put profits in the pockets of its shareholders. The Socialist therefore constantly strives to make the state a model employer, to get it to work co-operatively with its employees, and associate the latter with its management; and as a corollary to this he tries to make the state as a customer of the private employer patronise only those firms which, as far as is possible to-day, do their duty fairly by their workpeople. That is why municipally and nationally Socialism has been as closely associated with the demands for the insertion in public contracts of clauses providing for fair wages and conditions of labour as with demands for public ownership. Whoever desires to understand the purport of Socialism must not dissociate these two forms of Socialist activity.

But there is another highway to Socialism along which we are treading. The facilities which the present system of property owning give to certain individuals to exploit the public must be the subject of legislation. The need for an ever-increasing public income makes this a pressing question for all parties, and the Socialist's system of economic justice and efficiency make it a peculiarly important one for him. No section of the Socialist programme will repay careful study so much as that which deals with finance. By opponents it is described as confiscation, by himself it is regarded as the means of stopping confiscation; they regard it as a method of impoverishment, he as a means of enrichment; they think of it as raids upon private property,

he defends it as a way to secure private property. The difference dividing the two lies in the fact that they assume that whatever is held, is justly held; he contends that there ought to be some title in moral right to all property. Arising out of this challenge to produce a good title, the Socialist classifies incomes into earned and unearned. The division is rough, but no rougher than the division of life into animal and vegetable, and it is sufficiently accurate to bear practical application. With that idea in mind, the Socialist starts upon his financial programme-making.

The type of unearned income is rent.<sup>1</sup> The Socialist therefore proposes to tax it, and when he is told that by doing so he is differentiating one kind of property from another, he replies that it is so, the reason being that land is differentiated from every other kind of property by its own nature. The aim of this tax is to secure the economic rent for the state, because it is the state that creates the value which economic rent represents. When the tax upon economic rent becomes substantial, the monopoly character of land will be destroyed, and it will be free for more general use than at present. Large estates will be broken up and more people will live upon the soil.

<sup>1</sup> Some of our critics keep dinning it into our ears that rent often includes interest when landowners have spent capital in developing their lands. The Socialist, however, does not forget that at all, and when he theorises about rent, he means real rent, and not rent plus interest.

Two problems will face the state in the transition stage. It must remember that economic rent has become private property with the state's consent, and it therefore must agree that it has obligations to the owners. It must also guard against the multiplication of owners, because the creation of small holdings from big estates will increase economic rent, and will therefore increase the difficulties of the state in securing that rent if the class interested in exploitation by rent becomes larger.

But there are unearned incomes drawn from other sources than from rents. In time these sources may be classified and scales of taxation arranged to suit them. But for the time being that is unnecessary because, roughly, we can take it for granted that large incomes are less and less earned in their final increments, so that a scheme of graduated income-tax may be assumed to trap those portions of national income which illegitimately find their way into private pockets.

The effect of this system of finance is three-fold. It will tap sources of national income which will yield ever-swelling volumes of supply; it will destroy the value of monopolies to individual owners and thus stop existing opportunities of exploitation; it will lighten the burdens borne by industrial capital and thus enable trade to expand and prices to fall. The cost of government will be borne mainly by public income and not by taxes paid from private income, so that industry will not feel it, and proceeding along with this will be a

steady extension of municipalisation and nationalisation made practical by the destruction of monopoly and by the expansiveness of national financial resources.

Only one incident in this transition need be discussed specially. The Socialist denies that he proposes a policy of confiscation. Is he not, however, to confiscate as a matter of fact? The state did not confiscate when the telegraphs were nationalised, nor does it propose to confiscate the telephone service in a few months from now. Switzerland did not confiscate the railways when it nationalised them. Neither Glasgow nor London confiscated their trams when they municipalised them. If there has been a shadow of confiscation in any of these transfers the taxpayers and ratepayers were the victims, not the shareholders.

I shall show presently that Socialism cannot come by confiscation, but before doing so I desire to point out that, if it could, the economic history of the past would be very awkward for those who might complain. The expropriation of the monasteries upon which were founded the fortunes of some of our most respectable families, the wholesale enclosure of commons and public lands, the brutal competition, which was really not competition at all but industrial murder, by which the fortunes of some of our trust magnates have been secured, form an awkward record for the classes moralising about expropriation. And if it be argued, as it generally is, that these things were done only that lands might be used for

the national good and that economic resources might not go to waste, the Socialist's answer is both swift and decisive. That is just his aim and his justification. What is done in the green tree can surely be done in the dry. But history, though an awkward record of predatory acts for some classes, is a bad precedent in this respect for Socialists.

The interests of classes are so mixed up, the generous sentiments of the masses are so strong, the sanction which the community has given to its own exploitation has been so definite, that it would not be politic, and it certainly would not be just, to pursue any policy of confiscation. Socialists have not proposed to do so. "We do not consider," wrote Engels in 1894,<sup>1</sup> "the indemnification of the owners as an impossibility, whatever be the circumstances. How many times has not Karl Marx expressed to me the opinion that if we could buy up the whole gang, it would even be the means of getting rid of them most cheaply."

The substitution of public for private ownership will not come in a day, nor will it affect everything at once. That is tantamount to saying that it will come in different ways. Railways have been purchased, rival milk supplies have been provided as new businesses, proposals have been made to take land for use and regard the landowners as dowagers.<sup>2</sup> Thus, we have already experi-

<sup>1</sup> Quoted by Vandervelde in *Collectivism and Industrial Evolution*, p. 186.

<sup>2</sup> Scottish Land Bill.

enced purchase, competition, expropriation with guarantee of income (and if we add the case of the Suez Canal, the acquiring of national interests in undertakings) as steps to public ownership, and as time goes on other methods appropriate to circumstances will be adopted. When the state is in a better position than it is now to absorb industry, it will extend the principle of the Development Commission and the Congested Districts Boards of Ireland and Scotland, and these Boards will then act for the development of state enterprise, and not merely to spur on, to enlighten and to guide private enterprise. In fact, upon this, which may be granted to be the most difficult part of the Socialist evolution to forecast with any certainty, numerous public activities are beginning to throw a light. What is quite certain is that the state will adopt different methods of acquiring control of industrial capital, but that none of them—unless a catastrophe were to be precipitated by the reaction—can be called confiscation with any justice.

#### 4. *Right to Work.*

The political demands of Socialism cannot be understood better than by a study of the "Right to Work." The demand has a long and a rich history in the course of which political theory, Socialist points of view, and historical events would have to be reviewed. Had Anton Menger lived, he might have written that history. In a short section of a

book like this, I can hardly do justice even to a summary of it. Curiously enough, in the first instance, the doctrine was a philosophic tenet of the eighteenth-century individualists—though the phrase itself appears to have been used first of all by Fourier, when he was discussing other rights than the political ones which were proclaimed during the Revolution. It was held to be inseparable from individuality. If a man had a right to life, the individualist argument ran, the state had to see that he had physical sustenance. If he could not work some poor law organisation had to take him in hand; if he could work but had no opportunity given him to work, under any state which was not communist that right of his took the form of a claim upon the state to find something for him to do by which to earn an income. In one form or another that received the support of Locke, of Montesquieu, of Rousseau and the whole of their school.

But the baffling entanglements in which commercialism enveloped the right, led to the individualists dropping it. It became a mere dream to them, and the fact that the Socialists stuck to it is only one of many proofs which show that, so far from being an anti-individualist philosophy, Socialism contains all the essentials of real individualism. It exercised considerable influence upon Socialist thought in the 'forties, and, as every one knows, the Revolution of 1848 led to the founding of the National Workshops of Paris. I am not to expose the already oft-exposed error of attributing the failure of these



workshops to Louis Blanc and his Socialist friends. It is true that the Socialists made the opening of the workshops imperative, but the Minister responsible for them deliberately designed their collapse because he was a bitter opponent of Louis Blanc. Mr. Kirkup, one of the most impartial and painstaking of inquirers, wrote: "It is perfectly clear that the national workshops were simply a travesty of the proposals of Louis Blanc, established expressly to discredit them";<sup>1</sup> and it was regarding the tales spread about them that Lassalle exclaimed: "Lying is a European power." Louis Blanc repudiated them. There are some events in history about which popular opinion comes to a conclusion, wrong as wrong can be, but the opinion is circulated, is reiterated, is persisted in until it becomes an unquestioned assumption, and it can be removed after that only by the most patient and laborious campaign of—telling the truth. Such an event is the failure of the National Workshops of Paris. The French Socialist movement had to bow to the opposition of popular ignorance and become silent on the Right to Work for a long time.

A similar untoward fate befell it in Germany. The Liberal individualists there adopted it as a cardinal article of their faith. In the Prussian Civil Code of the 5th of February, 1794, it was embodied, but in administration it proved to be but a constitutional provision for poor law relief. The English workhouse and stoneyard were what the Prussian

<sup>1</sup> *History of Socialism*, pp. 48, 49.

Liberals meant when they recognised the Right to Work. Further, when Bismarck was piloting his anti-Socialist legislation through the Reichstag in 1884, he declared that a recognition of the Right to Work was necessary as a part of the programme by which he was to kill the menace of Socialism by kindness. The Liberals had then abandoned the principles of individualism and were standing by those of wage slavery, and attacked Bismarck for his declaration. In reply to their leader, Richter, he said categorically: "I recognise unconditionally a right to labour." Hence, used as it has been in Germany, as a mere poor law claim, it has not only disappeared from the demands of the German Social Democrats, but has been opposed by them at International Congresses.

In this country, however, it has been revived in its true significance and is put forward more frequently than any single demand in the Socialist programme.

The reasons are obvious, and a narration of them will throw further light upon Socialist methods and purposes.

The Socialist revives the classical individualist claim that unless a man can find the means of life all theories about his liberty are but unreal shadows, and the duty imposed upon him to preserve his life cannot be borne by him. In society the right to work cannot be made effective except by the state. A man cannot go to any single employer and say: "I demand employment"; but he may

justly go to the state and say : " I have tried everything I can think of but I can find no work. I present my claim either to be put to work or to receive subsistence." That is the foundation of the Right to Work Bill for which the British Labour Party is responsible.

The subsistence provision can be secured in one of two ways. It may be provided on the communist plan of allowing the unemployed man to share in the national wealth by giving him grants during his period of unemployment, but that is not Socialism, and the Socialist will not willingly adopt that proposal. It may also be provided by a scheme of insurance, the premiums of which are provided by the state, the trade, and the body of workmen. That is much nearer to the general principles of Socialism, and in that form this part of the Right to Work claim is now being advocated and enforced by the Socialist parties of the world.

The other part of the claim is, however, from the point of view of Socialist reconstruction more important. It assumes that it is the duty of the state to organise labour. The first step in this is the establishment of the Labour Exchange, the second the decasualisation of labour by the prohibition of the engagement of casual workers except through exchanges. The effect of this will be to increase the number of chronically unemployed men, for which the state must assume responsibility.

The state with this responsibility upon its shoulders must turn at once to an examination

of its own resources to see how they can be used better than they are. For it is obvious that putting these unemployed men to work in industries already fully manned or overmanned would solve nothing and perhaps would increase misery. The problem which the Labour Party desires the state to face is therefore that of the development of its unused resources. We must be quite clear upon this point, because it is the essential part of the Labour Party's purpose. Neither relief works nor the National Workshops of 1848 (except for training, perhaps) are asked for, but a policy of national development.

So soon as this policy is considered, the question of the land will inevitably come up, and means will be taken to put it to better use than at present. The Congested Districts Boards of Ireland and the Scottish Highlands, the Development Commission established in 1910, the land legislation of Australia, all point the way to the statesman who will have the foresight, the courage and the patriotism to handle this question. As part of this programme, the Socialist has long been crying for afforestation, national drainage and reclamation, labour farm colonies and rural housing with small holdings, and the pressure of social misery and depopulation has at length come to his aid. Once more he has proved himself pre-eminently entitled to that adjective "practical" of which his opponents appear to be so desirous to deprive him.

He is anxious to secure one condition,

however, which the shortsighted statesmen who adopt his proposals when circumstances compel them, do not see to be necessary. Every activity in this direction, the Socialist urges, should lead towards nationalisation. The public ought to retain the ownership of what it has created. The afforestation encouraged should be national and municipal afforestation, the reclaimed land should remain national property, the small holdings should not be freeholds but leaseholds with the necessary security of tenure for those who work them. This is not only required so as to fit in with the general plan of Socialist organisation, but in order to produce the practical results aimed at. I need only instance the Australian experience regarding land. Several States broke up large territorial ownerships and granted freeholds to smaller cultivators. In a very short time failure began to be written over the experiment. The small holdings were sold and the law of concentration set to work to defeat the shortsighted schemes of governments. The Governments then adopted the Socialist method and retained the freeholds in their own hands. The result came almost instantaneously. The real worker settled on the land because he was not burdened at the outset by purchase capital, the small holdings did not concentrate into large ones, the people stayed upon the soil. The policy of breaking up the large estates was justified and the support of public funds required for the purpose really resulted in an increased country population.

Thus, worked out into its consequences and translated into a social policy and programme, the Right to Work illustrates in a definite and practical form the intention and meaning of the Socialist's immediate demands.

## CHAPTER IX

### IN THE SOCIALIST STATE

SOME of the critics of Socialism insist that its advocates should not only supply every detail in its working, but even the most minute particulars of these details. There is a certain ephemeral controversial advantage in this. One of the greatest difficulties which the propaganda of Socialism has to encounter is the incapacity of people to imagine any different state of society to that in which they live. A new social relationship, a new combination of human motives, a new mode of wealth production, is at once set aside as something beyond their vision, and consequently something that bears the stamp of the impractical. Their consideration of Socialism therefore ends where it began.

The utopian Socialist had to produce these details because his New Harmony was supposed to work straight away like a patented invention. Also, if the modern Socialist proposed to adopt revolution as the means to his end, he would require to produce his whole plan, because it would be required on

the morrow of the upheaval. That, however, is not his method. He approaches Socialism as Hannibal crossed the Alps, and all he has to prove is that his theory is rational, that it is justified by modern tendencies which have not yet worked themselves out, that its criticisms on the existing condition of things are accurate and open out a practical way of social development. He can quite properly argue that the details must be settled by experience—the experimental method—and that it is vain to construct a complete social fabric theoretically, when the various elements which must enter into it will have to be made, tested and valued by the knowledge that will be gained whilst it is being built.

There are certain general considerations regarding these details which, however, may be profitably discussed with a view to ascertaining whether there are any fundamental grounds for the conclusion that the Socialist state must remain for ever a mere figment of the sentimental imagination.

### 1. *Ability.*

Let us consider first of all the objection that under Socialism the mechanism of production must remain fixed, that invention will be impossible, and that labour will not be put to more and more efficient use.

With this point in mind, Mr. Mallock—to whom I must refer somewhat frequently in this chapter, because he is the only writer in this country who has undertaken a systematic

examination of Socialism that is worthy of serious consideration—in an unguarded outburst of grandiloquence has declared: “Socialism has never inaugurated an improved chemical process.”<sup>1</sup> He might as well have proclaimed that the Binomial Theorem has never woven a nightcap nor patched a pair of dilapidated trousers. I know a Socialist who has “inaugurated an improved chemical process”; and I know another who, by the discovery of radium, has opened out the way for a revision of our physical theorising; I know a third who shares with Darwin the honour of having established the greatest scientific generalisation of the century, and of having revolutionised every department of thought in consequence. But that is not the question. It is: Can Socialism guarantee the conditions under which improved chemical processes will be inaugurated? If it can, we may think more about it; if it cannot, we may dismiss it altogether from our minds, and pay attention to Mr. Mallock’s amusing theories about Ability and Aristocracy.

Every system of production must bear the cost of its own improvement. A recognition of this has been the secret of German business success. We got our markets under the favourable smiles of our political conditions; we have lost many of them because we were not prepared to pay for the brains of discoverers and inventors, and this was necessary to enable us to keep our customers. America got its markets because the forceful wills of

<sup>1</sup> *A Critical Examination of Socialism*, p. 4.



its people enabled them to take the fullest and the most brutal advantage of the economic laws of concentration of capital and management. Germany got its markets because it established scientific laboratories and linked them up with industrial processes.

Now, under Socialism, our educational institutions would be revolutionised. Science would be our guide in everything. Even to-day, thanks mainly to the state or to public corporations working with the aid and the mind of the state, this change is beginning. Agricultural, technical, industrial laboratories are being opened. Universities are running experimental farms, are testing seeds, manures, soils, are advising farmers about crops, stock, diseases, dairy products, and everything else that concerns them; they are establishing industrial laboratories where post-graduate students may work not only on experiments relating to pure science, but on those relating to applied science; town councils and county councils are aiding the work and are supplementing it by independent efforts of their own. All these activities have been hampered and delayed in this country, in the first place, owing to the blindness and lack of education amongst our "captains of industry," who have followed the profit-making ideals of commercialism only too closely; and, in the second place, owing to our mistrust of state action making us look in other directions for our aid, and also making that state action inefficient and inadequate when it was at last begun. It must not be overlooked that it is in Germany

where the grip of commercialism has been least deadening, because it has been modified by other national impulses, and where the activities of the state have been greatest, that this development of scientific investigation is most marked and has yielded the best results.

I can imagine that under Socialism every centre of higher and scientific education will have its applied departments and laboratories, every industry and group of industries will have their staff of scientific and technical experts, whilst the skill of the workmen in every factory and workshop, and their mental keenness will have been brought to a pitch of excellence which is hardly reached by our most expert workmen to-day.

This is the foundation, this is the atmosphere, of all improvements in industrial processes.

But the critic again appears with an objection. The Socialist cannot find managers of ability. Mr. Mallock writes a great deal about this, and though he does his best, by neglecting to represent Socialist methods with accuracy, to reason out his conclusion, he really fails, and in the end he simply jumps to it.<sup>1</sup> I propose to discuss it, however.

Whatever may be our conclusions regarding the reward which we are to give to ability, the Socialist system of education, the Socialist

<sup>1</sup> *A Critical Examination of Socialism*, chap. vii. Especially the shipyard illustration, p. 77, where imaginary difficulties are gratuitously assumed and the most incompetent actions on the part of the authorities coolly taken for granted.

organisation of scientific laboratory and workshop, and the Socialist care to provide equality of opportunity will, unless nature herself fail us, train our brains and produce the ability which is to be rewarded. Our critics are particularly fond of using the argument that such and such a thing is unthinkable and is contrary to human nature, and that argument has to be used by us here. For what we are told by our critics to assume is, that there will be a great production of ability and a provision of the richest opportunities for it to show itself, but that it will yield no results. The demand to believe such a thing is palpably absurd. The intellectual and scientific atmosphere of the Socialist state will be pregnant with discovery, invention, and improvement; ability will be so general that it will not be confined to one class or to one type of mind, and it will therefore be available to all kinds of prompting from monetary award to public honour. To-day, let us assume (though the assumption is not just) that it can be had only at a high monetary price. Under Socialism it will belong to so many that it will exert itself sometimes from the sheer love of exercising itself, sometimes for honours, sometimes for money perhaps; but in any event that it should exist and do nothing is as unthinkable as that the sun should shine without emitting light and heat. There will be places in laboratories, places in workshops, places in the public administrative services, open for it and demanding to be filled. Skill can act as teacher, as experimenter, as foreman, as manager, as

director, for industry under Socialism will be carried on by the same differentiation of function as is the case now. Therefore we can safely conclude that there will be ability; that its monopoly will be broken down, and that there will be plenty of opportunity for its exercise under Socialism. The precise method of rewarding it can be safely left to experience in the calm assurance that if special monetary payment is necessary, Socialism will adapt itself to that necessity.

But, again our critic objects, experience has shown that "public opinion" has been against mechanical invention, and as "public opinion" will control the production of wealth under Socialism, the ability produced in the way described will be as ruthlessly sacrificed as certain primitive peoples sacrificed their female offspring. There will be just enough of it preserved to keep things going. And here they remind us of the wild Luddites, of the tribulations of Arkwright with the crowd, and so on, and defy us to get our necks out of that noose.

I must, however, point out a distinction between the present state and Socialism which robs these historical instances of any value for the purpose of this argument. The immediate and local effect of the introduction of machinery to-day is to displace labour. Labour saving machinery under the operations of our present system is labour substituting. That was the first effect of the Arkwright inventions. It must not be forgotten that the years when the new machines were being introduced lay

in the period when labour sunk to the darkest depths of economic misery. Labour was clutching at straws rather than calmly thinking out a policy of salvation. Moreover, be it not forgotten, Adam Smith himself admitted the displacement of labour and the change in the kind of labour demanded after the introduction of new machinery, and so much has this influenced economists that they have frequently discussed whether men so displaced have a claim for compensation. (*Cf.* Foxwell, *Irregularity of Employment.*)

From this distance we can see and appreciate the after effects of the mechanical inventions, but the weaver who had to compete with them in the middle of the eighteenth century neither could see nor appreciate. Ned Ludd was not a historian surveying the nineteenth century; he was a workman (or something of the kind) who found that the machines were emptying his cupboard. Such a system as that must inevitably bring "public opinion" into conflict with mechanical invention.

But that is not the Socialist system. When we have public ownership of the machines, they will be labour saving immediately and not in the long run, and the interest of the working population to maintain an income and keep it as big as possible, will welcome mechanical improvements under Socialism as heartily as it opposed them under capitalism. A man working with his own machinery is glad to be told of methods to economise his labour; men working with other people's machinery regard such methods as a notice

for some of them to begin walking the streets. Historical references must be used with some discrimination.

Now I can complete my argument. Under Socialism there will be more ability, there will be more opportunities for its exercise, and a heartier welcome will be given to its results than under the present system.

The mechanism of production will not stand still, but will steadily improve under Socialism. Production will be cheapened. There will be a larger volume of national wealth to enjoy; labour will be more efficiently directed and be more productive; non-producers will be reduced to a minimum; and the common incentive to which every one will respond will be the steady reduction of the necessary drudgery labour, so that the free time during which a man's will has full play may be as ample as possible. All that means industrial progress.

## 2. *Artistic Genius.*

I now come to another department of the same survey. The arts will die, it is said, when Socialism comes, because there will be no intellectual freedom under this "coming tyranny," and no encouragement to the imagination under this "reign of materialism." This objection approaches as nearly to the unthinkable as it can do. That, in a community organised industrially as I have just described, the mind of man must become servile and dull is impossible. Surely, rather,

as there is to be ability, leisure and a generally diffused enjoyment of private property and leisure, a great impetus will be given to all intellectual pursuits, to culture, to every activity of the free mind, and the grandeur of public buildings and the richness of public treasures which will then embody the dignity of the communal life, will augment that impetus. The crushing misery of the slum as a home and the street as a playground, the deadening dulness of the respectable quarters of our towns, where our middle classes strive in vain to breathe the atmosphere of culture, will have gone, and openness, variety, taste, freshness will have taken their place. The individual himself, the community of which he is a part, the surroundings in which he lives, will be charged with mental invigoration. What is called the "reign of materialism" will be the very opposite of that.

But the critic smiles, "I know the Socialist is at home in speculative Sociology; come and tell me in practice how this can work."<sup>1</sup> In response I propose to take two points, one which justifies me in my belief that the intellectual life is possible to the great majority of people, and the other, which justifies me in setting aside the "practical" arguments of our opponents as being of no substantial value in this connection.

<sup>1</sup> This is a favourite corner into which our critics run. They favour it because whilst in it they can make all kinds of unwarranted assumptions whilst they pose as practical business men. The student can find illustrations of this in nearly every chapter of *A Critical Examination of Socialism*. The point is stated categorically at p. 101.

My belief in the possibility of an intellectual life for those who do the hardest labour has been greatly strengthened in recent years by my contact with the Adult School and similar movements. To find, Sunday morning after Sunday morning, crowds of men who have been working laboriously for long hours in factories at exhausting drudgery all through the week, appearing carefully dressed at hours when most people in better circumstances are only getting up or have got no further than the commencement of breakfast, and to observe the intellectual keenness which these men show for subjects of serious import, compel one to think on somewhat utopian lines of what might be under better circumstances. And when, in addition to that, one also discovers that these factory workers are tenants of some near-by allotment, where they grow excellent kitchen produce and cultivate beautiful flowers for the æsthetic enjoyment of the work, one's optimism for the future is increased, and one's assurance that an intellectual response will be made to the changes which Socialism proposes becomes fixed on a rock.

I now come to my matter of practical detail. If there is any citizen of the Socialist state who has drawn out the sympathies of the whole body of Socialist critics more than any other, it is the poet. His case seems to have weighed on the minds of most of our critics. How is he to be discovered? How is he to be published? How is he to make a living? The press is to be in the hands of the



state. Manuscripts must be read by a state official with, perhaps, less taste than one of our own poets laureate or our censor of plays. Books will not be allowed to bear royalties. This net of posers is thrown over the head of the Socialist with all the dexterity shown by a retiarius in a Roman gladiatorial show. Is the Socialist enmeshed? Let us see.

Some honest work has never been bad for the good poet. Indeed, when our industrial towns were "nests of singing birds," as some of them have been before commercialism transformed craftsmanship into toil, the industrial experience of the poet added strength to the wings of his song.<sup>1</sup> The democratic poets have become mute because the darkness of commercialism has settled on their souls. The work which the poet will have to do under Socialism will be congenial, for it will be provided automatically by the organisation which provides equality of opportunity, and it will therefore not hamper his muse. So Socialism will have its poets.

How will they publish? This is one of the questions which can be satisfactorily answered only by time. That they must publish is quite apparent, and it is simply perversity for any one to argue seriously that such an insignificant problem as that will baffle society. But let me try to construct a little bit of Socialist society by using the past as an

<sup>1</sup> The great outburst of lyrical song in Scotland, in the latter part of the eighteenth century, was purely democratic; and was greatly enriched by the fact that the singers were ploughmen, weavers, shoemakers and such-like.

indication of the future. When time went more leisurely than it does and the hustle and bustle of commercialism had not struck us like a cyclone, people lived a pretty full intellectual life in societies like the famous Edinburgh Select Society or in those mournful gatherings of cronies which fill so much of the canvas of the life of Burns. There seems little doubt but that if we could possess ourselves once more of our lost leisure (say, by subordinating machines to men instead of men to machines) these circles and coteries would revive, for man's intellectual life is as social in its requirements as his industrial life. If they did revive general culture would leap forward with a bound. One of the reasons why an unworthy literature is finding such a market to-day is that the destruction of intellectual coteries has withdrawn the great part of the intellectual stimulus which the best of men require. Individualism in reading and thinking gives, first, trashy journalism, and then trashy literature, a chance. Well, under the conditions which would come with Socialism, Science, Art, Literature would have their associations everywhere. This is the audience for our poet. He delights and charms his friends. He appears before the connoisseurs as Burns did in Edinburgh, or before the socially select as Tennyson did, or before the public as Dickens, or Carlyle, or Thackeray did. Thus the poet gets his reputation. But he has yet to find a printing-press and a publisher, and the Socialist state owns the one and is the other, we are told !

The Socialist state, however, is only an instrument of public opinion, and I have a firm conviction that the divine poet, or any other kind of poet, would have no more difficulty with a literary faculty of the Socialist state than with the reader of a London publisher. Still, I shall not leave it at that, because I desire to show in a greater fulness the elasticity of the Socialist state. I return to the literary coterie which first encouraged and applauded the genius.

Where men have leisure, culture and means, the literary output is great, and the most natural thing in the world for those coteries to do would be to publish. They would take the place of the ancient patron; they will do the publishing—just as the Royal Society to-day publishes monographs, or the Early English Text Society or the New Spalding Club issues historical records. Not only that, for I can easily imagine that these societies will have control of presses. I do not say that will be so, but I do say that if it were so the poet would have a much better chance of publication than he has now, and also that such a thing would not be inconsistent with Socialist theory and requirements.

Then the market! If a better distribution of wealth would turn the imperfectly clad millions of backs into a field for the employment of British labour as the prairie-land of Canada is made a field for British capital, what a fruitful soil for British art would be the British home. To-day the patronage of art belongs to a small class; under Socialism

it would belong to the whole people. On this wide field all art would flourish. To-day the patrons are so few that the original genius has a bitter struggle. It will not tread upon worn ways, and its feet are pierced with briars. It gets soured; it declares war; it becomes ugly with the pain at its heart. Under Socialism and with the opportunities which a vast patronage affords, it will remain natural and sweet. Nothing is more certain than that the advance of Socialism will be heralded by an invigoration of the æsthetic tastes.

Still, there is the remuneration to be settled. I was never able to see the alleged difficulties about this until I read Mr. Mallock's proof of its impossibility. The value of a book, he says, as determined by Socialist economics is its cost of setting up and binding, and consequently, according to that economics, if Dickens made a living off his books it was "by robbing his compositors."<sup>1</sup> If the working of a Socialist state is examined by a mind so blind as to facts, and so confused as to economic reasoning, one can see how these mysterious difficulties arise. The argument used above is this. The value of a knife is the cost of labour of the knife grinder and his assistants; if the iron ore quarryman and the smelter make anything out of it, it is "by robbing the knife-grinder." A book consists of two things. It is the physical thing produced by binding up printed sheets; it is also the intellectual thing of ideas, of art, of infor-

<sup>1</sup> *A Critical Examination of Socialism*, p. 53.

mation, or the like. Its cost must cover the purchase of both. Mr. Mallock gets into his bog of difficulties by forgetting what a book is, not by applying a critical mind to the Socialist state. Now, the payment for the second aspect of a book can be determined in a variety of ways. The writer could be put on a civil list, he could be subsidised by his patron coterie—but this is the point, there is nothing in Socialist theory preventing his being rewarded in the simplest of all fashions, from the sales of his book. If the cost of composing and otherwise producing and publishing the book is  $x$  and it is sold at  $x + y$  to cover remuneration for the author, I have yet to learn that such a transaction violates any canon of Socialist economics.

So, under Socialism, we may have the poet, and he may have his public, his publisher and his remuneration.

And I have taken the poet to represent the intellectual worker of every kind who would be treated *mutatis mutandis* in a similar way.

There is not much fear of intellectual stagnation in the Socialist state.

### 3. *Minority Rights.*

The difficulty of the poet is generally but a preliminary to what is meant to be the still greater difficulty of an opposition between the powers that be and the critical newspaper, which must lead to the suppression of the latter. If Socialism were a divinely ordered society

the critical newspaper—especially the daily one—might be suppressed altogether in the intellectual and moral interest of the public, for there is no more melancholy spectacle to-day than the party press, with its misrepresentations, its suppressions, and its tongue in its cheek—unless it be the spectacle of those who read it and believe it.

The supposition of our critics is that the “powers that be” under Socialism will be all powerful and that, whilst remaining quite sane, they will be oppressively tyrannical. They will stamp out hostile opinion. They will not permit a whisper of criticism. They will govern like a South American president with an army at his back, with venial judges on the bench, and with political police in their communes. In other words, they will have forgotten all the world’s experience of how to make governments stable, they will have ceased to appreciate the safety of free speech and of open criticism, they will have departed from the axiom that civic peace is maintained by the liberty to discuss and to grumble. One must grant this extraordinary revolution in the art and science of government, this unthinkable loss of capacity on the part of governors, before one can even conceive the objection with which I am dealing. And be it noted in the passing, when one has granted that, one has destroyed the political conditions of freedom under which alone Socialism can not only exist, but actually come into existence. My answer to the objection, therefore, is that its very concep-

tion is inconsistent with the principles of Socialism and, in the light of history, is a palpable absurdity.

I am, however, unwilling to part with it at that, because I am again anxious to face the real problems of Socialist administration so far as reason and experience have as yet thrown light upon them, and this objection leads to some important considerations. There will be parties in the Socialist state; there will be governments and oppositions—majorities and minorities. Truth and progress will be then, as they have always been, hammered out by rival tongues and opposing brains.

In discussing Socialist administration, the critics of Socialism have always overlooked the large part that voluntary organisations are to play inside the state. For instance, the family will probably enjoy an influence which it could not acquire under commercialism, for under commercialism it has been steadily decaying.<sup>1</sup> The relation between parents and children will be closer, and be continued for longer periods than is now possible, and, consequently, the home will resume its lost religious significance. It will be altar fires that will burn on its hearths, and sacramental

<sup>1</sup> It is an amusing commentary upon the charge against Socialism that it seeks to abolish marriage, that so soon as there was a Socialist municipal control at Lille it abolished fees for getting married in order that difficulties in regulating family connections might be removed. Many people who would not, or could not, pay the old high fees at once presented themselves to be married, and literally blessed "the enemies of the family" for their moral action.

meals that will lie on its tables. The free man with leisure will show his social nature not only by living in crowds, but by forming for his own delight groups of men like-minded to himself. One of these voluntary organizations will undoubtedly be a political party, for I cannot conceive of a time when different practical proposals in statecraft will not exist or not be transformed into great rival policies and principles of government. The state will have to give these parties free and fair play, because the state will be democratically governed. Each party will have to look after its own interest, and it will, therefore, be essential that each party has its own organs. To-day, in the Palace of Westminster, the various parties have their own rooms; they are recognised by the Speaker and the other officers of the House of Commons; Hansard reports all speeches impartially. Under Socialism I can, therefore, easily imagine that the party newspapers would be under party control, parties and groups having certain rights of publication, just as a member of the American House of Representatives has the right to hand in the manuscript of a speech and get it printed as though he had delivered it. The presses might be under party management with safeguards, or party rights might consist in a power to claim the use of presses. The point is trivial, and if critics busy themselves devising all kinds of possible anomalies and difficulties, all I can say is that if even to-day the country decided to nationalise its printing-presses and to make parties



officially responsible for the papers published in their interests, two or three business men connected with party newspapers could draw up within a week a scheme of working which could set the whole plan going, and produce a freer and a more responsible press than we have now.

Once we disabuse our minds of the totally erroneous idea that a government's interests lie in suppressing every opinion but its own, every serious obstacle in the way of free political speech and writing under Socialism disappears, and the problem becomes one of business arrangement. To-day the syndicated newspaper groups are solving it. The central management from some London office of half-a-dozen papers printed throughout the country, the practice (as every one who gets newspaper cuttings knows) which certain political offices are adopting of sending out special articles, leaders, comments, and even letters signed by individuals, to scores of different newspapers, which print them as though they were of local origin, are paving the way for responsible control of frankly partisan publications. They are doing more, moreover. They are warning the public that with the concentration of capital and the union of the anti-social interests against the common interests, the day is rapidly fading away when every party had a chance of upholding its views through the press. The monopoly of the organs of public opinion, which was long supposed to be inevitable under Socialism, is, as a matter of fact, inevitable under capitalism, and the

fading privilege of free discussion will only be restored when economic power is better distributed, or, when concentrated, is democratically controlled. For, it must be observed, the suppression of critical opposition, impossible so far as a government or public authority is concerned, is quite possible when a combination of capitalist interests makes up its mind to effect it.

#### 4. *Workshop Management.*

In order that one may appreciate the position taken up in the last section, it must be understood quite clearly that the Socialist state is not merely to have a political form. It will not be embodied exclusively in a few politically controlled departments under the shadow of the House of Parliament. It will also consist of an industrial organisation, which will have a very decisive influence on public opinion, and will also act as a check upon the political organisation. At the head of this side of the state will be the ablest business men, economists, scientists, statisticians in the country, all having risen through the lower grades of the particular departments to which they belong. Only some of the means of production will be directly under their charge, like railways and canals. They will be responsible for foreign trade, for general labour legislation, possibly for education; they will regulate the volume of national production and determine exchange ratios; they will have charge of the financial arrange-

ments of the community; they will decide—subject to the assent of the political state—the varying dividing lines between associated and individualist production, for these lines will not be drawn on one day for all time. And if such a scientific control and regulation of production seems strange to minds unfamiliar with the very thought of it, I content myself by reminding such readers that before many years have passed over our heads, trusts of various forms will be doing in certain industries practically the same work. In this respect, as in others, we shall grow into the Socialist state. As Socialism is the child of capitalism, capitalism will show it how to set about its business.

In the industrial state, too, there will be great activity amongst voluntary organisations. The main industrial division under capitalism is between capital and labour—employer and employed. That is “the class war” now. But there will be wars under Socialism too, the main cleavage then being between consumer and producer. It will be the interest of the whole community minus the producers of each article severally, to get the cost of production reduced to a minimum, and though the better conditions of life and the prevailing atmosphere of justice will prevent that opposition from developing hostile camps such as we have at present, no harm is done by assuming the worst that can happen. We must put the most severe tests on our faith.

We must, therefore, look for a survival of

trade unionism in the Socialist state. Those engaged in the different sections of production will have their voluntary organisations, which will very likely be international in their scope. They will, in all probability, be utilised for advisory purposes by the central authorities, and they will be consulted when any change in exchange ratios or in industrial processes is being contemplated. They will also be a convenient medium for those insurances which will be necessary to meet temporary displacements of labour and other accidents which must overtake the best organised system of production.

Whether these organisations will appoint, or have any voice in appointing, workshop managers and business directors, is a matter upon which no definite opinion can as yet be formed. Let us remind ourselves of the system. There is a mass of workmen at the base of the structure, above them is a large army of foremen, over them departmental managers, and over them general workshop directors. Then we come to the organisation of groups of industries and of districts. A graded body of managers will be responsible for that, ending perhaps with a district director. The widest area of all—the national community—will be co-ordinated by the bodies to which I have already referred. If there is anything unfamiliar about all this, I again commend the troubled spirit to study the organisation of the Railway Clearing House, a trust like the American Steel Corporation, or a German Kartel formed for the purpose of

distributing markets and profits. The organisation of the best trade unions, particularly the German organisation, also throws light upon this subject.

Then the question which I have already put to myself may be considered: How are all these grades to be fed? The workers will be provided from the schools. In the great majority of cases youths have their own bent. The Socialist child must work, and he will, as a rule, choose his own calling. Should he desire to follow some profession, and there are more applicants than vacancies, a well-devised examination of selected students will provide the desired "equality of opportunity." Should he desire to follow a technical line, the schools will be in the closest touch with the workshops, and the best advice will be given him regarding openings and demand.<sup>1</sup> The coercion about which we hear so much will rarely be experienced, all the more so as a large part of our unpleasant work will have disappeared, owing to mechanical and other invention and discovery. It will certainly be no prominent feature in the Socialist state.

What of the selection of managers? Two schools of co-operative thought dispute this point between them, and are experimenting with it, and until the contest and the experiments have gone on a little longer we may regard it as unsettled. There is, in the first place, the school which believes in the self-governing workshop. It believes that the

<sup>1</sup> This expedient is being adopted in some schools to-day with satisfactory results.

workpeople should appoint their managers, either directly, or indirectly through some representative committee. The objection to this view is that it regulates production by the producer himself, whereas production should be regulated by the whole community. The argument in favour of it is that it secures just treatment to the producer, and protects him against exploitation. The objection to the other view is that under it the consumer can tyrannise over the producer, and can deprive him of what is a fair reward for his labour. The productive works of the Co-operative Wholesale Society in England are often charged with this lapse from co-operative grace. In favour of it is the fact that only by such a scheme of management can all the producing functions be put upon terms of equality and even-handed justice be done to them.

The two schools of co-operative propaganda used to be in pretty sharp conflict with each other, but they are now coming into a more friendly touch, with the result that they are blending together. This is the common history of such rival theories. They unite; one does not crush the other out. Socialist management will be determined by the further experience of co-operation. The directors of areas and the central controlling staff will undoubtedly represent the consuming public; the managers in direct touch with workshop organisation will have to carry the confidence of the workers as well as serve the needs of the consumers. The argument that this double task will produce deadlocks, that it will pro-

duce managers incapable of doing their duty and over-indulgent to the workpeople, is a mere bogey. Problems of precisely this character are now being solved by the co-operative movement, and if they have given this movement some trouble, as they undoubtedly have, we must not forget that the co-operative experience will be handed down, not only as a guide, but as an industrial habit.

## CHAPTER X

### THE SOCIALIST MOVEMENT

SOCIALISM is a tendency, not a revealed dogma, and therefore it is modified in its forms of expression from generation to generation. The goal remains the same, but the path twists and twines like every other human path. Its wayside aspects also change, and the people who walk upon it do not remain the same. At one time an expanding industry draws men in one direction, as a gold discovery in new lands draws men from old fields of labours and casts a new glamour over men's vision. At another time thought is inspired by some impulse imparted by scientific discovery when every idea which dominates man is moulded by that impulse. At yet another time some outstanding cause becomes the centre of all vital intellectual force and every other movement tends to express itself in

relation to that cause. Thus we have seen during the past century the magnets round which men's minds have centred change again and again and human interests change with them. Political enfranchisement, scientific discovery, the accumulation of wealth, religion have dominated thought, and have created philosophies, outlooks, systems of criticism, motives. Fluctuations in the Socialist movement and a varying emphasis placed upon aspects of the Socialist creed, have marked these changes as the tides mark the varying course of the moon.

### 1. *Saint-Simon and Fourier.*

Long before there was what can be called a Socialist movement, there were men groping after the Socialist plan, examining society with lanterns lit from the lamp of Socialism, making demands which were partial discoveries of Socialism itself, in the same way that many pioneers set foot on America before America itself was explored.

The word Socialism itself appears to have been first used in this country in 1835 to describe Owen and his work. It was adopted by the Frenchman Reybaud and applied by him to the theories of Saint-Simon and Fourier. At that time it was used to indicate theories of social reconstruction in which the state had no part—moral and idealistic movements of Utopists; and when Marx and Engels opened a new chapter in the history of the movement by insisting upon the political character of



the transformation, they chose the word Communist as their title, and, in the famous *Communist Manifesto*, attacked the Socialism of their predecessors. One of the amusing tricks which the whirligig of time has brought, is a complete inversion of the application of these terms.<sup>1</sup>

The French Revolution not only stirred up into confidence all the optimistic expectation of human nature but taught it to speak, to educate, to agitate. It was springtime on the earth. The people had not experienced themselves; their friends had not been disillusioned. Years afterwards Owen, so typical of his age, could serenely argue that simple reason would convert kings and that a worthy homily addressed to the angel at the gate of Paradise would induce her to lower her sword. This enthusiastic *naïveté* was also the soul of Saint-Simon who was the first to draw to himself a company that can be called Socialist. These pioneers were queer folk. They were children to the day of their death. The strange being, Saint-Simon, with his valet solemnly wakening him every morning with the salutation: "Remember, monsieur le comte, that you have great things to do," is separated from us by worlds of feeling. And yet his lack of humour and his crystalline sincerity which

<sup>1</sup> One of the many displays of ignorance which the anti-Socialist organisations have made, is a leaflet which one of them has published showing how Marx attacked "Socialism" and thereby denounced the errors of his followers! The same mistake has crept into books like Guthrie's *Socialism before the French Revolution*.

made him cheerfully accept the terrible poverty of his later years, endear him to us.

In 1817, when he was forty-three years of age, he first wrote on social matters, and for eight years, till his death, he continued to sketch out the pathway to human freedom. He had the spirit of organisation in him. He felt that the disintegration of society which followed upon the end of feudalism and marked the beginning of commercialism was ruinous, and his plea was that men of science should manage industry benevolently and wisely in the interests of the whole people. He put the coping-stone on his system by his last work, *The New Christianity*, in which he laid down the fundamental doctrine of social religion, that humanity is a fraternity and should act as such. On the side of economics he had a very clear vision that accumulated property was being used for exploiting purposes. That was the explanation of poverty, and to put an end to poverty a moral society would bend every energy. This mingling of economics and morals was Saint-Simonian Socialism. The founder had few followers during his lifetime, but he left a school behind him.

Like all schools, it evolved and threw out shoots. Comtism was one of its branches, another branch grew out towards modern Socialism. It is this branch which I must trace.

Its first-fruits was a community of enthusiasts, able and well-educated, who lived from a common purse. But it also produced ideas.

The idea of association was amplified and enriched at its hands and given an historical setting. Association was shown to be an historical tendency which alternated with one in the opposite direction. The reign of anarchy, war, exploitation, had worked itself out when it produced the proletariat; the reign of co-operation, of organic unity, was about to begin with religion as its inspiration. At the same time the economics of Saint-Simonism were elaborated, and the necessity of the communal control of the instruments of production was proved by a reasoned sequence of argument. Society was to be a differentiated organisation in which merit alone was to determine the place of a man, and the value of his services was to determine the character of his reward. But on its mystical side it toppled over as so many fantastic religious movements have done. When men treat the flesh as anything but flesh and allow themselves to wander on the bewitched paths of symbolism and mysticism, they are in danger of becoming the slaves of the earthy realities which they think they have dissolved, or of becoming mad; and the blight of both misfortunes ended the school of Saint-Simon. But its healthy tenets never died. They were discussed by bands of men wherever discontent, either intellectual or economic, agitated Europe. Society kept them in her heart. Saint-Simonism quickened the social movement of the century.

Fourier, for instance, wrote before Saint-Simon, but it was Saint-Simonian influence that made Fourierism a living thing. Fourier

makes the small commune, which he calls the Phalanstery, the governing unity of his ideal world. He has no fantastic hierarchy of wise men. In that respect he keeps upon solid earth. He was as democratic as Saint-Simon was aristocratic, as decentralising as Saint-Simon was centralising. The locality is where wealth is actually created, and there one finds the causes of bad distribution. So Fourier fixed his eye upon the commune. The problem he placed before him was how the mechanical advantages of large industries could be secured without lowering the workmen to the status of a mere machine. With that in view he constructed, on paper, his Phalanstery. It was to consist of about three hundred families who were to co-operate in production with commonly owned instruments. Their consumption, however, could be as individualistic as they liked. Policy and economy might induce them to join in the common meal but they were not to be compelled to do so. Machines would lighten toil and not supplant the workman; they would therefore be freely introduced into the Phalanstery. Agriculture would be organised so as to fit in with other industry. Both sales and purchases would be made on a large co-operative scale; wealth would be created and distributed with an economy which men had never experienced. Then came the free play of Fourier's imagination. Theatres, temples, gardens, galleries, balls, concerts were to bless and enliven the people, and the whole organisation was to be kept harmonious because, in

Fourier's view, a free man will do what is rational and harmonious. The Phalanstery was to be the home, not the prison, of human nature. He argued that it must work because it was harmonious. Therefore it failed. Fourier assumed that he himself was the average man, and yet he had abandoned business because he had found it dishonest! He forgot that his father had punished him for telling the truth. At the end of his life he was patiently waiting—he had waited for ten years—convinced that some honest wealthy man would knock at his door and supply him with the money necessary for making his scheme a success. Through such transparent spirits the social doctrines of the French Revolution were focused and the Socialist theory was the result.

But Fourier was discussed and found adherents. A sheet was published as his organ and experiments were made with his scheme. In 1837 he died at the age of 65, leaving his strange mixture of innocence and insight, quackery and sagacity, to add its gleams of light to the dawn breaking over Europe.

Two plans of association had now been submitted: the centralised aristocracy of Saint-Simon, a feeble child of tottering feudalism and youthful commerce, and the communal self-government of Fourier. Both were fantastic; both contained true suggestions and brought out some lines of further advance. Both helped to throw light upon the problems of poverty which were casting menacing

shadows over France, and both encouraged the stricken proletariat to agitate, to think, to combine, and to hope. The superficial optimism of the French Revolution passed as a mirage, and the dark and confusing entanglements of democracy and commercialism gathered round the workers. But the new propaganda gave them heart. In 1831 the workers of Lyons rose to the cry "Live working or die fighting." As a shepherd gathers his sheep from the hills into a banded flock, so the Time Spirit was gathering men into a movement.

## 2. *Robert Owen and Chartism.*

I must turn from France to England. Some of the boldest pioneers of the new movement belonged to this country, for here the evil side of the Industrial Revolution manifested itself earliest and most dramatically. It was British pamphleteers who examined and explained most carefully how the Industrial Revolution led to the impoverishment of the poor and the exploitation of the worker. "The right to the whole Produce of Labour" is a characteristically British contribution to Socialist economics.

The beginnings of the national movement can be traced back into the eighteenth century through what were mainly political associations meeting in taverns and obscure places. But the British political movement has always had a social purpose more or less clearly within its vision, and the theories of land national-

isation and of the bad influence of machinery, published by men like Thomas Spence and championed by his followers, the Spencean Philanthropists, were an early disturbing element in Radical politics.<sup>1</sup> Robert Owen imparted both volume and definiteness to the movement.

Owen had the same characteristics as Saint-Simon and Fourier, a simple-hearted faith in human perfectability, a transparent honesty of purpose, an absolute blindness to social resistance, an incapacity to appreciate a flaw or a stain in his own system. It was a type of character which could influence only an age before society had been studied scientifically, but which was invaluable for the stirring up of men's hopes and the launching upon the world of new ideas which could gain precision and accuracy as they went along. Be it remembered that in these days Socialism had to be an inspiration, a discovery of the spiritual insight; it could not be a scientific system of criticism, method or construction. The knowledge to make it such was not then available.

The work of Owen is too well known to need more than summary mention here. His birth in 1771, his rapid rise to fortune, his management of the New Lanark Mills from 1800, his experiments in education, his theories regarding the influence of environment on character,

<sup>1</sup> Cf. Harriet Martineau's ill-natured sentence: "The committee of the Spenceans openly meddled with sundry grave questions besides that of a community in land; and amongst other notable projects petitioned Parliament to do away with machinery."—*History of the Peace*, I, p. 52.

his agitation in favour of the state protecting the physically and economically weak by legislation, the new chapter in his life which opened in 1817 when he declared in his memorandum to the Parliamentary Committee which considered the Poor Law, that misery was caused by competition between men and machinery and that it could be cured only by the co-operative use of the means of production and their subordination to the well-being of the masses, the beginning of his community experiments in 1825, his labour stores with their unique methods of exchange, and finally those pathetic closing years unshadowed by a doubt and unclouded by a thought of failure ending with the appeal to take him home to die where he first saw the light, sum up a life of tenderness, innocence, single-heartedness, the usefulness but not the beauty of which has long been recognised. Its activities were the yeast which made the whole body of English social reform ferment. From it came the positive view of the state as a protector of the weak—and particularly our code of factory legislation; the co-operative movement is its direct fruit; public education and trade unionism owe it much.

From the failure of Owen's schemes arose much more good than from the success of other men's schemes. Since he has lived it has been impossible for men to refuse to ponder over great fundamental social changes. Chartism was one of the first results of Owenism, and it was substantially in advance of Owenism in its method. That, the discern-



ing eyes of Marx and Engels saw. It was political. It sought "no isles of the blest in the quiet sea of rest." It did not trouble its head about communities; it saw that economic problems were national not municipal; it saw further that national problems could only be solved by national machinery. That was the philosophy of the Charter. The Reform of 1832 had blessed the middle class only. Why were the working classes left out in the cold? They did not want to be in for mere ceremony's sake. They wanted to be in because the feast was spread inside. They stood like the foolish virgins at a barred door, without having the comfort which the foolish virgins had—that they themselves were to blame. "We will get the land," they sang in one of their songs, "only when we get the Charter." The Charter was a means to an end. In the background of the Chartist mind was land reform, reduction of factory hours, better education, the control of machinery, associated industry. Chartism rose and fell. It is said that the workmen have always suffered from dishonest leaders. That does not go to the root of the matter, and is misleading. The Chartist movement shows not the dishonest leader but the wind-bag charlatan leader. The people have been sold, but only after they have shown an incapacity to choose leaders.

Thus, in the 'thirties, we find a condition in England similar to what we have found in France. Gropings after association, an optimism regarding the curability of economic

misery, an uncertainty as to method, a blindness as to social resistance, a gathering together of the people in more or less revolutionary companionships, that is what we see. To enable me to show the next grouping of these mobile and confused elements, I must again go abroad—to Germany this time.

### 3. *Marx and Engels.*

The French Revolution had wiped off the map the lingering shadow of the Holy Roman Empire known as the kingdom of Germany, and the Treaty of Vienna had painted in again an impossible set of German states with Austria as their political chief, but with Prussia as their real head. From those ruins and these impossibilities, the spirit of nationalism rose up. It was taught in the schools; it glowed like molten metal from the literature of the time. "Young Germany" heralded the March revolution of 1848. The spirit of nationalism, hating Austria, turned to Prussia to be its champion. In Prussia, every thought took a political turn. The organisation of the state, the power of the state, the majesty of the state; politics, working class combinations, revolution, the idea of corporate unity, of national wholeness—in these directions the minds of the Prussians and of the German nationalists ran.

Lassalle began first. Born in 1825, he joined Marx and his friends in their revolutionary activities of 1848, but his temperament prevented him from doing conspicuous work

in the organising, the moulding, the negotiating through which Socialism passed from the stages to which Saint-Simonianism, Fourierism and Owenism had brought it. Lassalle's work therefore belongs to the German movement alone and was done at a period somewhat later than I have now reached and where I must pause, as it is the most momentous period in the history of Socialism. It belongs to the biography of Karl Marx, not to that of Lassalle.

Marx was a Jew and a disciple of Hegel. His intellect was of the massive order which conceives big systems, which follows them through their ramifications, and which at the same time is capable of taking instant action on the passing incidents of the day. He was born in 1818, in 1841 he finished his university studies, and next year he embarked upon the stormy waters of Prussian democratic politics. This marks the dividing line between the new and the old Socialist leaders. The German never thought of utopian experiments. He began with statecraft, with democratic government, straight away. Moreover, he had received from Hegel a conception of social evolution. He saw society as a whole. Institutions were historical products, not the benevolent, or malevolent, work of men's hands. He was not always consistent on this point, however, although it is this view which was embodied in his wider generalisations. The misery around him could be cured only by social change. Prussia became too hot for him and he sought security in Paris. Here

he came in contact with the Socialist movement, such as it then was, and Proudhon became his companion.

But Proudhon was a Frenchman and belonged to the old generation of utopists. As he himself confessed towards his end, the greater part of his work consisted of unsystematised gropings after general laws and conceptions, and he inherited to the full the legacy of simple-minded optimism which the French Revolution left as a dowry to two generations of French social reformers and thinkers. And yet he had moved towards the border-line of the new epoch, for one of the points of disagreement between himself and the schools of Saint-Simon and Fourier was that these latter believed too much in sudden transformations. But he had come to see in governments nothing but tyrannies, and thus he forbade himself from ever joining the ranks of the newer movement. It is not to be wondered at that he and the systematic Marx fell out, and it was two Germans, Marx and Engels, and not a German and a Frenchman, who opened the new volume of the history of the Socialist movement.

The preliminary preparation was complete. The economic theory of Socialism was becoming pretty clear, political means were being thrust upon the workers of both Great Britain and Germany, utopian communities had failed absolutely. Two things were required. The vague uncertainties of aim and means had to be swept aside, the moral inanities of some of the schools had to be suppressed, the mind of

Socialism had to be made definite. That was the first thing. The second was to place the whole movement on a political footing and to make it understand that it was a period in social evolution and not merely a dream of ingenious and kind-hearted men.

This Marx and Engels did, and their first great act towards that end was the publication of the *Communist Manifesto* just before the Revolution of 1848. Earlier in the year, Marx had published a scathing criticism of Proudhon, and hot foot upon that came the clarion call of the *Manifesto* commanding all the workers of the world to unite to end their misery. Amidst the most heart-rending poverty and destitution in London, Marx strove to complete his work on both its intellectual and its political sides. Having to live sometimes on the proceeds which the pawnbroker handed over the counter, this brave and unbendable spirit wrote what has been called "the Bible of Socialism," *Das Kapital*. He died in 1883, and his body rests on the slope of Highgate Cemetery looking Londonwards. Engels died in 1895 and his ashes, according to his wish, were scattered on the sea.

How did these men perform their work? They started as Hegelians of the Left—pupils of the great philosopher, who, whilst never able to emancipate themselves from the Hegelian method, had thrown off the Hegelian idealism. If the workers were to be emancipated at all, they felt it was to be by a grim struggle against the classes which were exploiting them.

They took the proletariat up to a high mountain and showed it the wide panorama of progress. At every stage class was in conflict with class; and that lesson was soon learned. It dispelled all sorts of delusions about idealistic methods. Then another lesson was taught. The motive of the clashings was economic. History was not to be interpreted by spiritual and rational impulses but by economic appetites. Thus idealism received another deadly blow. Socialism thus hardened, interpreted as the grand final stage of the struggle between the classes, appealed with new definiteness and new force to the masses. Its vagueness vanished. It became a cause which the meanest intellect could grasp and in which the humblest worker could play a part. The reign of the bourgeoisie was challenged at every point. The wage-earner felt his common interest and was taught his common strength. In his various nationalities he gathered together into a common camp; he looked across the boundaries of his nations and found the comradeship of men bending under a lot similar to his own; and the old clarion call came upon his ears: "Wage workers of the whole world! Unite!" Marx worked for immediate practical effects and he secured them. He sacrificed some of the intellectual accuracy of the Socialist case, but he made the Socialist movement.

#### 4. *Marxism and Revisionism.*

I must emphasise what Marx actually did. He contributed nothing to Socialism as a

theory except in the sense that a gardener selects from a mass of herbage those plants which are of use, cultivates them, improves their strain, and produces them for the world to admire. This work is neither mean nor of a secondary value. "As to Socialism," says one of his most recent critics, "in relation to the future organisation of society, Marx has wellnigh not alluded to it."<sup>1</sup> Marx's reply would probably have been that he left such vain speculations to utopists. He explained the mechanism of capitalism; he explained historical evolution; he showed from both explanations the necessity of Socialism; he formed the army, and gave it the determination which was to bring Socialism into existence. He made many mistakes, both in stating his theories and in forecasting events, but they were the mistakes of the man of action who had to do a certain definite piece of work, and his errors helped him. None of them vitiated the value of his labours or took a jot away from their utility. The Socialist movement will return to idealism, for, though sometimes an unrecognised power, idealism has always existed in Socialism. But in Marx's time the great need was to organise the movement and engraft it upon the mind of the masses, to give it political form, to gather the democracy under its banners and start them on their march. That done, Marx can be revised. The new problems which continue to face this army as it moves onwards necessitate frequent references to first principles, modi-

<sup>1</sup> Dr. M. Tugan-Baranowsky : *Modern Socialism*.

fications of old dogmas, withdrawals of old forecasts. The goal remains, for it is the creation of such self-evident truths as this: That he who controls the economic conditions of liberty, controls liberty itself, and that association is better than separation, and co-operation than competition. But the path is trod by succeeding generations for diverse reasons. One generation follows it because it is harassed by misery, another, because it is illumined by reason; and these diverse motives exist side by side in the movement, their relative strength constantly fluctuating.

Thus, to-day we have what is called the revisionist movement—which, however, is not always so much a departure from Marx as from Marxians. I have shown elsewhere in this book why I do not accept some of Marx's explanations—for, after all, he was a commentator on Socialism, not the inspired instrument through which the Socialist faith was revealed. In his book the English title of which is *Evolutionary Socialism*<sup>1</sup>—the book which originated the revisionist movement in Germany—Mr. Bernstein parts company with Marxists on the following points amongst others. He denies that there is an imminent prospect of the breakdown of bourgeois society; he asserts that in the working of capitalism there is not a decreasing number of capitalists, all of them large, but that there is an increasing number of all kinds of capitalists;

<sup>1</sup> Published in the *Socialist Library* by the Independent Labour Party.



he rejects the dogma that in every department of industry concentration is proceeding with equal rapidity, and he challenges this with special reference to agriculture. He also emphasises the fact that the leaven of Socialism is now permeating the capitalist lump, and that therefore Socialist organisations must work as transforming factors in society, and not only as revolutionary agencies. Marx in his earlier years (at any rate up to 1871, when the Paris Commune somewhat modified his view) considered that the conquest of political power by the democracy was to be the signal of revolution; now great sections of the Socialist movement hold that that conquest is to be the occasion for transformation. Mr. Bernstein also modifies the Marxian view of the materialist conception of history and of economic necessity, of the class war and of value. And he does this whilst continuing to proclaim himself a Socialist, because he takes the true scientific view that every dogma and every theory is subject to the law of evolution as well as society itself.

#### 5. *Lassalle and the German Party.*

I must now outline the growth of the movement itself, beginning with Germany, which deservedly occupies the premier place in such a history.

It was not until 1862 that Lassalle's activities were of any importance to the Socialist movement. The political reaction had begun in Prussia as the nationalist forces gathered

themselves together for that struggle which only ended with the French war and the establishment of the German empire. The Liberals who then ruled Prussia, and who were about to be swept by Bismarck away into insignificance, "hoist by their own petard of nationalism" which carried militarism in its womb, had opened their pusillanimous policy of "standing where they were." Lassalle separated from them, declared that it was folly to prate about things which were unreal and verbal, and appealed to Prussia to take its stand upon the actual facts and go back upon democratic rule. The fires of Lassalle's nature were again ablaze. In 1862 he delivered a lecture which was nearly as epoch-making as the *Communist Manifesto*, and it was published under the title of *The Working Men's Programme*. Its purpose was to show that the Prussian working men had now to unite for political purposes. The police paid attention to both the lecture and the orator who, after a trial and an appeal, was sentenced to pay a fine of about £15.

Events then happened which were in some ways curiously like what occurred in our own country shortly after 1880 when the workers began to lose confidence in the Liberal Party. The working men of Leipzig, having left Liberalism, called a Labour congress. To this Lassalle sent an *Open Letter* in which he appealed to the workers to form a political party with social aims; he stated the Iron Law expressing the tendency of wages to fall to the bare subsistence level and nothing

more; and he advocated the establishment by state capital of self-governing productive associations in which every workman was to get the full product of his labour. The Congress adopted his proposals, and he addressed a few great meetings. The Universal German Working Men's Association was formed at Leipzig on May 23rd, 1863. It made one demand—universal suffrage. A working class social programme was so much decorative effort unless the working classes had the vote. The German movement was begun. The melodramatic ending of its leader and hero in 1864, struck it like a storm, and when the blast was over it was found that the organisation was left in a bad way. It had no leaders, no money, and no coherence.

Immediately after the founding of Lassalle's organisation another event happened, paralleled also in our later British experience. Liberal-Labour associations were formed, partly in opposition to Socialism, but partly also in opposition to the growing dominance of Prussia, and they were therefore strongest outside Prussia. As a member of one of these, August Bebel first won his spurs. But the organisations speedily drifted away from Liberalism where, from the very nature of the case, they could have no abiding place. The union of these associations declared first of all for universal suffrage; in 1868 it gave in its adhesion to Marx's organisation, the International, and in the following year at Eisenach it formed itself into the Social Democratic Working Men's Party. The two

German organisations then came to be known as the Lassalle and the Eisenach parties. The one was Prussian, the other was South German and Saxon. This division in German Socialism curiously enough survives to this day. Both sections were represented in the Parliament of the North German Confederation,<sup>1</sup> but disagreed as to policy. They agreed in advocating a peace with France without annexation of territory, and their members were sent to prison. With the peace came a desire to join the two bodies. In Liebknecht and Bebel the Eisenach party had leaders, the Lassalle party had none. At Gotha in 1875 they joined hands, and formed the Socialist Working Men's Party of Germany. The united movement bounded forward, and the authorities made up their minds to hamper it. Two attempts made upon the Emperor's life in 1878 gave them their chance, and after an appeal to the country legislation to repress Socialism was carried. Newspapers were forfeited, meetings were prohibited, the organisation was paralysed. The effect was to throw the people back upon themselves. They acted without organisation. Each man took upon himself the responsibility of finding out what he ought to do. Literature was smuggled into the country, the law was got round in many ways; at election after election the Socialist vote increased. The anti-Socialist laws and the social reform legislation of Bismarck had both failed to remove the menace

<sup>1</sup> The first electoral successes were won in Germany in 1867, when eight members were returned.

of red working-class politics, and in 1890 the repressive policy came to an end. Since then there have been changes in organisation, there have been ups and downs, there have been internal controversies—particularly as regards parliamentary policy and the relation of the Socialist parties in the legislatures to other parties, but the history of Social Democracy in Germany has been a steady advance onwards.

The maximum vote of the party before the Gotha union had been 352,000 in 1874; in 1877 it was 493,000; it dropped during the first years of repression, but rose from 1884, reaching 1,427,000 in 1890, 2,107,000 in 1898, 3,010,000 in 1903, and 3,258,968 in 1907. Its 1903 vote elected 81 members to the Reichstag; that of 1907, however, only elected 43. It is on the upgrade again, and the election of 1911 bids fair to be a record one for the party.

In connection with the German Socialist movement one has to observe a special feature in German politics. Individualism as a political system never took root in the German mind. German public life was too much influenced by German philosophy for that to happen. Consequently, state activity has always been assumed—even by the most anti-Socialist chancellors and municipal authorities—as legitimate. We inherited from our Liberalism a suspicion of the state: the inheritance of modern Germany was a trust in the state. Thus German Socialism has been an intellectual power, even when politically it has appeared to be impotent.

6. *The French Party.*

The French Party has its tap root touching the Revolution, and it grew up through the schools, like Saint-Simonism, to which I have already referred. The revolutionary idealism of France finds the yoke of party galling and hard to bear. It blazed up in 1848, and again in 1871, and in both cases the flame was stamped out by the ruthless foot of the military. The hero of 1848 was Louis Blanc; the hero of 1871 was the people. Upon the heads of both, the prejudice that has written so much of our histories has put the crown of the fool and the knave, and no heads, in reality, are less justly decorated by that symbol.

The national workshops of the first revolution were started and managed contrary to Louis Blanc's advice, and in a spirit antagonistic to him. Yet upon his back the burden of their ludicrous failure has been placed. The scenes of popular riot, bloodshed and disorder which compose the lurid picture generally painted to represent the Commune are little more than visions of the prejudiced and frightened imagination. Probably never did an army in occupation rule a city with more mercy and calmness than the communists ruled Paris, with their assassins thundering at their gates. The suppression of peaceful Radicalism in Great Britain in the days of Pitt was attended by more blundering cruelty and wanton persecution than can be crowded into those terrible days in Paris by any

historian, however prejudiced, who sticks to the facts. After the Commune the Socialist movement in France lay like a land that had been crossed by fire. But a few workers soon came together again. The authorities struck at them and scattered them. For a while Socialism was baffled.

But Jules Guesde returned from his exile in Geneva, whither his communist activities had driven him, founded *L'Egalité* in 1877, struck at the Anarchists who were busy in France at the time, preached Marxism, and the trade union congress which met at Lyons in 1878 resolved to call an international gathering of working men at Paris in the following year. The gathering was suppressed, and police barred the doors of the hall in the faces of the delegates. This only helped the French movement. Recruits came in fast; the trade union movement became more sympathetic. A representative gathering of working men held in Marseilles in 1879 adopted the name of the Socialist Labour Congress. It was wildly revolutionary, but the programme it accepted was drafted by Guesde and Lafargue, who was Karl Marx's son-in-law. Next year the final struggle between Socialists and trade unionists of the old school took place. The former were apparently worsted, but the latter had no determination, no zeal, and no cause, so they could make no use of their victory. Socialism marched gaily along.

But there was weakness in the movement, and it was shown in the elections of 1881. Why

were they disappointing? One group gave one answer, another gave another. The leaders set upon each other, and the movement split into two camps at St. Etienne next year. The division was between the Possibilists (those who were willing to approach Socialism through Socialistic reforms), led by Paul Brousse, who has been Mayor of Paris since, and the Impossibilists (those who anticipated a revolution and a more or less sudden break with the past), led by Jules Guesde. Strict Marxism was in reality the rock upon which the party crashed. Still, the French workmen had not enough camps, and a definite movement against parliamentary action was begun and the General Federation of Labour formed. The blood of revolution jumped through the French veins, and the half-dozen different groups into which the movement very quickly split appeared to be necessary to suit all dispositions. The two most important, however, were the so-called Impossibilists, led by Guesde, and the Independents, in whose ranks were several brilliant professional men like Jaurés and Millerand. Jaurés had been elected to the Chamber as a Radical in 1885, but was defeated in 1889 when he returned to his professorial chair. In 1893 he appeared as a Socialist candidate, and has been in the Chamber ever since.

The elections of 1893 sent forty Socialists to the Chamber of Deputies.<sup>1</sup> Suddenly over the political horizon blazed the menace of the Dreyfus affair. The Guesdists said, "It is

<sup>1</sup> The first electoral victories were in 1887.