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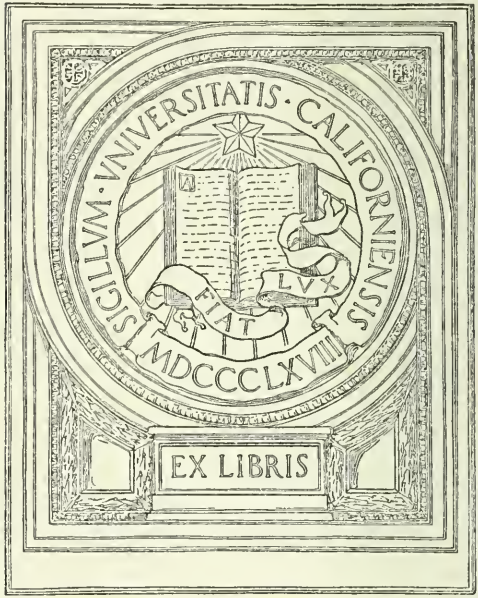

THE GIFT OF
MAY TREAT MORRISON
IN MEMORY OF
ALEXANDER F MORRISON


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SOCIALISM AND SYNDICALISM

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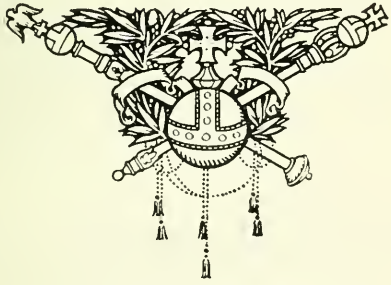
Philip Snowden

SOCIALISM AND SYNDICALISM

by

PHILIP SNOWDEN, M.P.



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GIFT OF MRS. A. F. MORRISON MAR 27 '43

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Socialism and Syndicalism

CHAPTER I

THE SOCIAL PROBLEM AND THE SOCIAL CONSCIENCE

THE Social Condition of the People is the dominating question of the age. In all the industrial countries of the world the problems of labour and capital, of poverty and wealth, and of the innumerable issues which arise out of the consideration of these subjects, are forcing themselves upon the attention of statesmen, moralists, religious teachers, and all who have any regard for their own interests or for the welfare of their fellows. In every Parliamentary country the Labour Question is constantly forcing itself upon the attention of the Legislature, and in an ever increasing measure the time of statesmen and politicians is devoted to dealing with industrial and social questions. Political parties compete with each other in offering proposals for solving the problem of poverty, and in all Parliamentary countries the election issues are practically confined to questions of industrial reform and social reorganisation.

There have been times of great social unrest in the past, but never before has there been such universal attention given to the question of social reform, and never before has there been such widespread discontent with undesirable and undeserved conditions of poverty. A feature which distinguishes the unrest of the present time from former periods of disaffection is the extent to which the working-classes are assisted by innumerable organisations, composed largely of cultured and leisured people, formed for the purpose of scientific inquiry into the various aspects of the Social Problem. The Universities have been caught in the movement of the age, and both in their corporate capacity, and to a greater extent by the voluntary association of individual members, are making invaluable contributions to the general stock of knowledge upon economic and social questions. The Churches of all denominations have largely abandoned the former attitude of 'other worldliness,' and are realising that if that institution is to justify its existence, and to command the support of the democracy, it will have to concern itself with the social condition of the people, and will have to actively advocate such reforms in our industrial and social life as will permit men and women to develop their physical and moral faculties.

The revolt against the existence of degrading poverty and against the sordidness and ugliness of life is by no means confined to those who accept one explanation of the causes of the existing state of things. There are in all the advanced countries innumerable organisations and societies for reform, many of which exist to deal with one only of the many social evils, and even among such societies there are often different organisations holding widely differing views as to the nature of and the remedy for that particular evil. Though there is still a great lack of agreement as to the real character of the Social Problem, and an unfortunate absence of unity of action in dealing with it, it is in a measure satisfactory, and in a large measure hopeful, that the consciences of so many men and women of all classes are impressed by the need of reform in some direction, and are ready and anxious to devote themselves to such work. But there are abundant signs that, as a result of the experience gained in their work, those who have been long engaged in some reform movement of a limited or restricted nature, are rapidly beginning to see the essential unity of all social questions, and the futility of forcing reform in one direction without a corresponding advance of all the parts of the social mechanism. In another respect, too, a change has come over the

methods of the sectional and the general social reformer; he has begun to see the need for finding out causes, instead of spending his time and energy in dealing with results. The increasing recognition of the unity of the Social Problem, to which reference has just been made, is illustrated by the change of attitude and method which has come over the greatest of the sectional reform movements in recent years, namely the Trade Unions, the Co-operators, and the Temperance Party. In none of these movements to-day is the claim made that it alone is capable of solving the problem of poverty, and by the triumph of its principles making any other reforms of an industrial and social character unnecessary. But there was a time when the trade unionist believed that the voluntary association of the workers in trade unions could give to labour such a power as could enforce a full remuneration for labour, and could secure all that was desired in the way of hours and conditions. But no intelligent trade unionist thinks that now; and the knowledge of the limitation of the power of voluntary organisation has made the intelligent trade unionist into a reformer of a far more comprehensive sort. The co-operator, too, has been forced by the facts of experience to recognise that there is a limit to the power of voluntary co-operation, and that knowledge

has forced him to seek the application of his principles in wider and less restricted fields. Once the whole question of Poverty was explained by the temperance advocates by the one word Drink; but without in any way weakening the strength of the temperance case, its advocates now realise that the problem of poverty is not capable of such a simple explanation, nor can it be solved by the simple expedient of universal abstinence from liquor.

The last quarter of a century has seen an extraordinary change in the character of reform work. This change is due to the better understanding of the causes of the evils it is sought to ameliorate or remove. Reform movements formerly dealt with the individual as a unit, and sought to destroy the evil by changing the individual. Poverty itself was believed to be largely the result of individual thriftlessness, and the idea was very generally held that by making the best of his opportunities every man might raise himself into a position of reasonable comfort. With such an idea dominating, all reform movements naturally were aimed at individual reformation, and such collective effort as was encouraged was advocated as a means of 'self' help, and not for social advancement. The idea that the main cause of poverty is in economic and social law, which more or less

definitely is now held by all reformers, is largely the development of the last generation, so far as those who do not definitely accept the Socialist creed are concerned. This change of idea is of the utmost importance. It is a revolution. Its possibilities are tremendous. It is a preparation of the community to do the work which economic and social development is fast ripening for the sickle.

Apart from the definite Socialist movement there is a great Social Movement actively operating in all the great industrial nations, and it presents in all countries features of the same character. It is stirring every class. It is revivifying old enthusiasms. It is changing old faiths. It is transforming the character of politics and political life, giving to them new aims and new ideas. A revived conception of the solidarity of society is taking possession of the minds of men. The impelling force of this new movement is ethical; but the guiding and restraining control is a knowledge that the industrial system is at fault, and that the shameful contrasts of wealth and poverty which obtrude themselves from every point are due to causes which it is in man's power to change, and which the awakened social conscience of a civilised nation will attack. This new spirit has not yet to any great extent driven men to abandon old

political parties and old religious bodies, but it is working a revolution from within parties and societies already existing. But as yet no party, no creed, no organisation, confines or expresses the breadth and volume and power of this world-wide movement. The first effect of this new consciousness of individual responsibility for the health and happiness of the race is to create a thirst for knowledge, to stimulate the inquiring mind, to collect and study social facts. To aid this desire for knowledge new theories and new proposals are advanced, and a thousand organisations are ready to give their help. All this leads to much confusion, to much over-lapping, to much waste of effort; but out of the welter and confusion of it all there is gradually being evolved a clearer conception of the true nature of the problem, the various pieces are being sorted from the heap of accumulated knowledge which are needed to form a part of the mechanism of a complete and orderly social system.

The present-day Socialist differs from the great bulk of earnest men and women who are engaged in political and social work only in the definiteness of his conviction of the nature of the Social Problem, and in the definiteness of his views as to the means which must be adopted to gain the end which he desires, which is an object which is desired

by uncounted millions who have not yet formed definite conclusions. Sympathy with the suffering of the poor, and a desire to see the establishment of a social order in which there shall be neither rich nor poor, are not the monopoly of conscious Socialists. Such sympathy and desire come not from an intellectual knowledge of economic laws or of the historical development of social classes, but from something deeper and more universal, —from that touch of nature which makes the whole world kin. But unless that sympathy and desire to advance the well-being of the race are directed by knowledge they may lead to results as bad in their effects as actions which are committed deliberately from base and selfish motives.

Though the vast mass of reforming zeal which is still outside the definite Socialist movement is generally conscious in a way that it is the industrial system which is wrong, unlike the Socialist it has no scientific justification for its vague opinion, nor any clear idea of how to set to work in an effective way to bring about the desired change. In this vast world-movement for social betterment there stands forth one section which has been given a clearer vision of the task before humanity, and that is the men and women, a great and growing army in all lands, who have realised that Socialism, based upon the

impregnable rock of history, economy, and morality, can alone explain the causes of existing industrial and social evils, and alone submits a coherent, intelligent, scientific, and practical scheme of change.

No apology needs to be made in asking for a sympathetic consideration of the claims of Socialism. The great mass of unformed opinion which is impressed by the horror of the existing state of things, that quickened social consciousness which is creating a desire for action in uncounted millions, is ready to welcome any contribution, however humble, which may throw some light upon the darkness in which their aspirations are now enveloped. A movement like Socialism, which numbers among its adherents and apostles many of the greatest scientists, economists, divines, poets, painters, writers, sociologists, and statesmen, is entitled to claim the attention and consideration of all who profess any regard for the welfare of humanity. Though Socialism is primarily the cause of the working-class it is not in its aim and object a class movement. It seeks the overthrow of classes, and the establishment of a society in which there shall be one class, with full and equal opportunities for individual effort and for the enjoyment of a rational and cultured human life. Socialism is as much the cause of the rich man, who, if he has any conscience,

cannot enjoy his riches in the knowledge of the misery of the men and women and children around him, as it is the cause of the poor widow struggling in the labour market to feed her fatherless children. It is to the cultured and leisured class that Socialism makes, perhaps, its strongest appeal, for they have been given exceptional opportunities of being of service to their generation. The establishment of Socialism, as we hope to show, will offer to that class richer opportunities of service and enjoyment than are possible under a system where one man's pleasure is obtained by the suffering of others, and where wealth, honours, and social position are too often not the reward of industry or of virtue, but are obtained by the tyrannical and oppressive exploitation of one's fellows.

CHAPTER II

THE FACTS AND FIGURES OF THE PROBLEM

Not the least valuable of the work which Socialists have done has been to collect and to publish the real facts in regard to the social condition of the people. There has been much truth in the past in the old saying that one half the world knew not how the

other half lived. But the facts and figures which have been made public by Socialist investigators and statisticians have left little excuse for the person who reads remaining in ignorance of the facts of the actual lives of the people and of the conditions of their work. Any system must be judged by its results. Socialists demand the abolition of landlordism and capitalism, not because these institutions are inherently wrong, but because of the industrial and social results for which they are responsible. If under a system of private landowning and private capitalism, the condition of every individual in the community was all that could be desired, there would be no argument for a change of the system. The first step then, in building up the case for Socialism is to prove that the existing state of things is unfair and unjust by an appeal to the actual facts of the situation. The first thing to do is to prove the existence of a state of things in regard to the distribution of wealth and the prevalence of poverty which no honest or fair-minded person can defend as having any right to exist in a civilised community. Having proved that the widest disparity prevails in the distribution of wealth, and that as a result millions of our population are underfed, underclothed, stunted in body and in mind, and that vice, immorality, drunkenness,

insanity, and unutterable misery and suffering are the direct results of this unequal distribution of wealth, it will be necessary to consider if any real and permanent reform can be brought about without a radical change in our industrial system. If we come to the conclusion that it is hopeless to expect a real change without what some Socialists call a Social Revolution, we shall require to prove that the evils of the present system are due to the private ownership of land and industrial capital, and that the substitution of that system by one in which land and capital shall be owned and controlled collectively is essential in order to bring about the abolition of poverty, and the establishment of equality of opportunity for all.

The late Sir Robert Giffen once said, 'No one can contemplate the social condition of our people without wishing for something like a revolution for the better.' Socialists are constantly impressing the facts of the condition of the people upon the nation in order to create that desire for a revolution. In the opening chapter of his *Progress and Poverty*, the late Henry George asks what a scientist of the eighteenth century would have imagined would be the result of the scientific and mechanical discoveries and inventions which we know to-day, if he could have foreseen them in his imagination. If he had known

that within the next century the productive power of labour was going to be increased twenty, fifty, a hundred fold, he would have come to no other conclusion than that this increased power to produce the necessaries of life would result in abolishing all poverty, and in lightening men's toil almost to the extent of making their lives a perpetual holiday from manual work. But writing fifty years after the harnessing of steam power to new machinery, John Stuart Mill said it was doubtful if all our labour-saving machinery had lightened the day's toil of a single individual. This statement may put the experience of that fifty years in an exaggerated form, but there is considerable substance of truth in his words. The machine age has not brought the abolition of poverty—it has not materially shortened the hours or lightened the labour of the masses. We have probably a larger number of people in hopeless poverty to-day—though the percentage of the whole population may be less—than there has been at any previous period of our industrial history. The advantages which have been brought by these scientific discoveries and mechanical inventions have not gone to the masses of the people, but have been appropriated by a small section of the nation, and have made them rich beyond the dreams of an Arabian romance.

The poverty of the poor is certainly not due to an insufficiency of wealth in the country. It does not spring from the niggardliness of nature. It does not arise from the over-population of the world, for the increase of wealth is growing faster than the increase of population. The total value in pounds of the wealth produced, and of the services rendered annually in the United Kingdom is not actually known, but the investigations of a number of eminent economists and statisticians have given us figures which may be taken as approximately correct. In his book, *National Progress in Wealth and Trade*, Professor Bowley, Teacher of Statistics, University of London, says that the estimate of the National Income of the United Kingdom as being £1,600,000,000 in 1891 has never been seriously questioned. From that basis he estimated that the total in 1903 would be very little short of £2,000,000,000 (two thousand millions). Following the method adopted by Professor Bowley of estimating the increase from the increase in population and the amount of income observed by the Inland Revenue Commissioners, it brings out the conclusion that in 1911 the total National Income would be not less than £2,250,000,000. Sir Robert Giffen's estimate is somewhat less than that of Professor Bowley, he estimating the total at £1,750,000,000

in 1903. Mr L. G. Chiozza Money has made an estimate for the year 1907 which puts the total at £1,710,000,000. This is obviously a very low estimate, and is not supported by any other statistician. The material for estimating the capital value of the wealth of the United Kingdom is insufficient to arrive at a close computation. It is generally taken as being about £15,000,000,000 (fifteen thousand millions). The addition to the capital wealth of the United Kingdom is at the rate of £200,000,000 a year.[1]

The question now arises as to how this huge National Income and this stupendous volume of national wealth is divided among the population. The Inland Revenue Commissioners are able to account for £1,045,000,000. of the National Income. That is the gross total of the income which came under their observation in 1911. In his evidence before the Dilke Committee on Income Tax, the Chairman of the Board of Inland Revenue estimated the number of individuals who came within the Income Tax limit at 1,100,000. This, with their families, represents a population of about 5,000,000. That brings out the fact that one-ninth of the population enjoy one-half of the National Income. The incomes of the class who compose the one-ninth vary enormously, the great bulk of the number

[1] Giffen, *Essays in Finance*, Vol. II., page 407.

having incomes below £700 a year. Out of the 1,100,000 persons assessed to Income Tax, 750,000 belong to this class.[1] On the other hand it was estimated[2] that those with individual incomes of over £5000 a year absorbed £200,000,000 of the National Income. The number of such is about 11,000.

We have reliable statistics as to the incomes of that great body of the labouring class, which, with their families, number forty millions of the population of the United Kingdom. In a lecture delivered in May, 1911, Professor Bowley estimated that about 8,000,000 men are employed in regular occupations in the United Kingdom, and that their full weekly wages when in ordinary work were as follows: 4 per cent. under 15s.; 8 per cent. between 15s. and 20s.; 20 per cent. between 20s. and 25s.; 21 per cent. between 25s. and 30s.; 21 per cent. between 30s. and 35s.; 13 per cent. between 35s. and 40s.; 7 per cent. between 40s. and 45s.; and 6 per cent. over 45s. Thirty-two per cent. of the number earn, according to this estimate, less than 25s. a week. But an examination of the Board of Trade Returns on Wages shows conclusively that Professor Bowley has largely over-estimated the number of better paid workmen. In the cotton trade, 40·4

[1] *Dilke Committee Report*, page 227.
[2] *Ibid.*, page 227.

per cent. of the adult men earn less than 25s. a week. In the woollen trade, 67·4 per cent. of the men earn below 30s. a week. In the linen trade, 44·4 per cent. of the men earn less than 20s. a week. Taking all the textile trades of the United Kingdom, the actual earnings of the adult men in September, 1906, show that 48·3 per cent. earned below 25s. a week. Of bricklayers' labourers, 55·9 per cent. are paid under 25s. a week; of masons' labourers, 67·6 per cent. under 25s.; and builders' labourers below that figure are 51·7 per cent. of the whole class.[1] The wages of women employed in some of the largest and most profitable trades are very low. In the textile trades 17·7 per cent. of the adult women are paid less than 8s. a week, and 55·7 per cent. earn below 15s. a week.

The ownership of the capital wealth of the United Kingdom is distributed in a similar proportion between the several classes as the National Income is distributed. In 1910 there were 39,429 estates for probate or administration of a net value exceeding £100. The total net value of these 39,429 estates was £283,662,000. Only one person in sixteen who died left property worth over £100. But of the 39,429 persons who left property in 1910, 17,767 left less than £1000 each. The

[1] For a full treatment of this wages question see the writer's *The Living Wage*.

total net value of these estates amounted to just over £12,000,000, that is to say that the other half of this 39,429 left £270,000,000. The great bulk of the wealth left at death is owned by a small percentage of those who leave any property at all. In 1910 there were 1963 persons died and left between £10,000 and £20,000, but only 434 whose estates were valued at between £20,000 and £25,000. The number of people who left over £100,000 was only 288; and there were five millionaires' estates, the total value of which was £24,000,000—that is to say at that one end, five persons left twice as much as the 17,767 at the other end. Taking all the persons who died in that year, over 700,000, we find that one of these five millionaires left more wealth than 700,000 others put together.

This unequal division of income and wealth naturally results in wide social inequalities, and in the case of the rich, to the expenditure of large sums upon luxury and vice, and in the case of the poor, to all the misery and suffering which are invariably associated with poverty. The insufficiency of the husband's income leads to the necessary employment of married women in factories with all the physical injuries which such labour brings, when accompanied by the additional burden of household duties and child rearing. The insufficient wages of the father causes the

children to be taken away from school before they have received an education equipping them for industrial life or civic duties. The children of the working-classes when born, have not one-half the chance of surviving that the children of the well-to-do have. The infantile death-rate in the working-class quarters of an industrial town is from one and a half to two and a half times that of the infantile death-rate in the quarters of the richer classes. Figures supplied by Dr Dukes to the Commission on Physical Training (Scotland), show that when fully grown the children of the working-classes are about 2½ inches shorter and 16 pounds lighter, on the average, than the children of the well-to-do. The evidence given before the Committee on Physical Deterioration (England), in 1904, revealed an appalling state of physical condition among the working-classes, due to insufficiency of nourishing food, bad housing, and ignorance,—all the direct outcome of poverty. In the five years 1904–8, no less than 107,000 recruits for the Army were rejected as being unfit.

The liability to accident and premature death is far greater among the poor than among the rich. The number of fatal industrial accidents in the United Kingdom from January, 1910, to June, 1912, was 11,566. The poverty of the workers drives them into

overcrowded and insanitary tenements, where disease and death find their natural prey. Three great and wealthy towns in the North of England (Newcastle, Gateshead, and Sunderland), had at the Census of 1901 over 30 per cent. of the population living in a state of overcrowding. The Scottish towns were in a much worse condition. In Glasgow, 54 per cent. of the population were living more than two persons to one room, and in Dundee 49 per cent. In the great and wealthy city of Glasgow, 16·2 per cent. of the whole population were living in one-roomed tenements. Dr Leslie Mackenzie has published the results of his examination of children from these one-roomed tenements in Glasgow. He examined 72,857 children, and discovered that the average height of a boy from a one-roomed tenement was 4·7 inches below that of a boy coming from a four-roomed tenement. Investigations made by the Medical Officer of Liverpool have produced results of a similar character, showing how the poverty of the parents and the unwholesome conditions under which the children are reared rob them of height and weight and general physical development.

The insufficient incomes of the working-class are not assured to them in return for a willingness to work. There is always the prospect of unemployment before the eyes of

the working man. Over a number of years, 5 per cent. of the organised workers are on the average unemployed. The lowest percentage of unemployment for the United Kingdom is about 2·5. When this unusual figure is reached it means, spread over the whole working population of fourteen millions, an unemployed army of 350,000 persons. The privation which is involved in even a short period of unemployment to a family which is never in receipt of an income more than enough to meet the daily necessities, cannot be imagined by those who have never had such a painful experience. In addition to the liability to unemployment, there is the risk of disablement, as a result of which the workman and his family are thrown upon the hated Poor Law system. Over a period of 15 years up to the end of 1911, the average number of persons always in receipt of Poor Law relief has been over a million. The Old Age Pensions Act has proved that with very few exceptions the workers who pass the age of 70 are without means of support, having been unable by a long life of useful labour to save enough to keep them in the bare necessaries of life when no longer able to work. It was stated in the Report of the Royal Commission on the Aged Poor, that practically one-half of the workers who reach the age of 65 were dependent upon the Poor Law; and, as

the experience of the Old Age Pensions Act has shown, of the rest, the great proportion were maintained by the self-denial of children and friends little better off than themselves.

The poverty and hardship of the life of the working-classes lead them into crime, and drive them to drink and to suicide, and send them to insane asylums. In the year 1909 there were 735,604 persons apprehended and prosecuted in England and Wales for crimes of all descriptions. There were over 50,000 cases of larceny, and 12,000 cases of burglary, housebreaking, and shopbreaking. There has been in recent years a very notable increase in the number of serious crimes against property. The number of cases of suicide is increasing at an alarming rate. The increasing severity of the struggle to make a living is largely responsible for this, and for the increase in the number of insane. In 1891, the number of suicides was 2459; in 1901, it was 3106; and in 1911, it had risen to 3544. In the last ten years there has been an increase of 22·5 per cent. in the number of persons detained in lunatic asylums. In their Report for 1907, the Commissioners of Lunacy say 2 per cent. of the increase was due to 'privation,' and 19·3 per cent. to 'mental stress.' Below the ordinary working-class whose condition of life is one of unceasing struggle to obtain the bare necessaries of life, and

a struggle which in such a large proportion of cases does not avail to avert actual privation, there is a submerged class of homeless, vagrant, unemployable, criminal persons, who are the refuse heap of our social system,—the products of a system which makes these beings at one end as the price of millionaires at the other. The London County Council has undertaken five censuses of London's homeless poor, and on the last occasion in 1910, on a cold and bitter night in February, there were found 2700 men and women and children crouched on staircases, under arches, and in the streets, having neither shelter nor means. On the same night the Salvation Army and other shelters were accommodating an equal number of homeless human beings. In that great and wealthy city there were these thousands of men and women whose condition of poverty and wretchedness was far deeper than that of the most abject savage.

These facts and figures of the industrial and social condition of the working-class give one side of the picture of the present social system. On the other hand we have a class which is so rich that human ingenuity cannot devise any rational means of spending its wealth. The daily newspapers report from time to time items of expenditure on luxuries and frivolities which, when remembered in

connection with the lot of the toiling millions, make one think that all these pictures of social contrasts must be a hideous nightmare. In the *Daily Mirror* for December, 1906, was reported an interview with a big West End tradesman, who had been asked to give information as to the sum on which a society lady might manage to keep in the height of fashion. The statement had been made by a New York leader of fashion that 'to dress smartly, a lady must spend at least £40,000 a year.' The West End tradesman gave details of the expenditure upon dress of the Englishwoman of fashion. These total up to an expenditure of £10,836 a year. 'Of course,' the tradesman observed, 'the number of women who spend that amount is comparatively few, but still it is a very fair estimate of the extravagant woman's yearly dress bill.' As a confirmation of this extraordinary statement, it may be mentioned that the London *Daily Chronicle* reported at length, on March 4, 1906, the trial of an action in the High Court in which a lady of fashion was sued for a dress account, when the lady made the admission that she spent between £8000 and £9000 a year.

The newspapers are constantly reporting other instances of the extravagant expenditure and luxurious living of the rich. The enormous prices which are paid for pictures,

antique furniture, and silver, arise out of the fact that there are people so rich that they can afford to give any sum to satisfy a whim, or to possess some article, perfectly useless in itself, which has the merit of rarity. Paragraphs like the following are taken at random from the columns of the London daily press:—

'The prevalent complaint of the scarcity of money found no echo in Christie's big room yesterday, where there was sold a remarkably rich collection of old Chinese porcelain. The first thirty lots realised an aggregate of not far short of 8000 guineas, or the rather unique average of just over 282 guineas apiece for these precious examples of the artist-potter's work of the Kang-He and Ming periods.'

'Huge prices were the rule yesterday at the sale of jewels at Messrs Debenham & Storr. Among the lots were an exquisite ruby set with two brilliantly shaped brilliants and a graduated collet necklace of forty-eight brilliants. The pearl necklace was knocked down for £4500, a handsome *collier de chien* for £1975, whilst a single row pearl necklace ran to £5300.'

'Society's demands on Mr Scott, the Burlington Arcade dog outfitter, for the coming winter include a dog's bedstead, fur

coats, handkerchiefs, laced boots (half a guinea a set), silk-braided blankets, motor goggles, and nickel-plated foot-warmers for Fido when travelling.'

The extreme contrasts of riches and poverty, of extravagance and privation, which are familiar to every observant person in the United Kingdom to-day, are by no means confined to this country. The same contrasts are to be found in every industrial nation. The United States of America, a comparatively new country, with vast and rich natural resources, can supply, perhaps, even more striking facts of the concentration of wealth in the hands of a few, and of the appalling extravagance of this class. In January, 1907, Mr Charles Stedman Hanks placed before the Boston (Mass.) Chamber of Commerce a striking summary of the results of an investigation of data collected by the Inter-State Commerce Commission. Mr Hanks declares that if the present order of things continues it will only be a question of time when the Trusts will have the absolute ownership of the property of that country. He estimated that already they control nearly one quarter of it.

The Census Report gives the total of National Wealth of the United States in 1904 at £21,421,000,000, an increase of one-third

in four years. Of this immense aggregate £2,249,000,000 lies in the steam railway trusts, £1,976,000,000 in the manufacturing trusts, £720,000,000 in industrial trusts, £444,000,000 in street car trusts. The further statement is made that more than seven-eighths of the wealth of the United States is owned by less than 1 per cent. of the population, leaving one-eighth for the remaining 99 per cent. of the people. Further, of the total annual income of the country, one-half goes to one-tenth of the people and the other half is divided among the remaining nine-tenths.

The London *Times* of 28th August, 1908, had an article on 'Rich and Poor in America,' in which statements were made which support those contained in the preceding paragraph. But this article gives some facts as to the condition of the people of this great country who are at the other end of the social scale. 'In New York City, according to official reports, two-thirds of the inhabitants live in tenement houses, and in these tenements there are 350,000 living-rooms into which, because they are windowless, no ray of sunlight ever enters. In fairly prosperous times there are at least 10,000,000—some careful statisticians say 15,000,000 to 20,000,000—people in America who are always underfed and poorly housed; and of these, 4,000,000 are public paupers. Little children to the

number of 1,700,000 who should be at school are wage-earners. One in every ten in New York who die has a pauper's burial; at the present ratio of deaths from tuberculosis, 10,000,000 now living will succumb to that disease; 60,463 families in Manhattan, New York, were evicted from their homes in 1903.'

The Census Returns for 1900 show that in the United States in the previous year 6,468,964 persons, or 22·3 per cent. of all workers, had been unemployed for some part of the year. Over 56 per cent. of this unemployment had been due to inability to get work. As in this country, so in the United States, the condition of the workers as described in the statements quoted is not due to the lack of a sufficiency of wealth in the country. The Census Bureau at Washington has supplied the following figures as to the increase of the wealth of the United States since 1850 :—

Total Wealth in 1850 ..	$7,000,000,000
In 1860	$16,000,000,000
In 1870	$24,000,000,000
In 1890	$69,000,000,000
In 1900	$88,000,000,000
In 1904	$107,000,000,000

There is no need to give the figures in regard to insanity, industrial accidents, strikes, suicides, illiteracy, as they apply to the

United States. It is sufficient to say that these indications of a unhealthy industrial and social system are to be found in the United States in a more aggravated form than they have been shown to exist in the United Kingdom.

The facts and figures given in this chapter constitute the Social Problem. They prove the existence of a state of things which is indefensible on every ground. They are a mockery of our boasted civilisation, and a menace to the stability of society. The first duty of a nation is to so organise its resources that the means to attain and maintain a healthy and civilised existence shall be within the reach of all in return for reasonable labour. Our natural resources, our scientific knowledge, our mechanical aids are of no advantage to the people unless they are the means of lightening arduous toil, of making the struggle for a living less severe, of giving men more leisure for reasonable recreation, and of bringing the advantages of progressive knowledge to establish a higher civilisation which shall be enjoyed by all the members of the community. No system can endure which is responsible for starved human beings by the thousand seeking a night's shelter in some archway or staircase, while dogs are sleeping in bedsteads covered with silk-braided blankets, with nickel-plated

warmers at their feet. Evil contrasts such as we have described spring from some deep-seated cause, and our next duty is to inquire whether there is any hope of securing a juster distribution of wealth without some radical change in the system by which wealth is now owned and distributed.

CHAPTER III

THE FAILURE OF CAPITALISM

Is there a progressive movement towards a more equal distribution of wealth, and is the condition of the mass of the people improving, and if so, is this rate of advance such as to justify the expectation that by pursuing the present policy of social reform the existing social evils will eventually be abolished, and a state of society established in which poverty will no longer exist and equality of opportunity will be brought about? An examination of the facts relating to the present tendency of wealth distribution in the capitalist countries gives no support whatever to such a supposition. There is a strongly marked tendency for wealth to become more highly concentrated, for the share of the national income which goes in the form of rent and

profit to increase in amount and in proportion, and for the wages of the manual workers to remain practically stationary, while the cost of living moves steadily upwards.

The condition of the great bulk of the wage-earning class in Great Britain is undoubtedly better than it was sixty years ago. But it is hardly fair to select such a date for the purpose of a comparison of the relative conditions of the wage-earners. As Mr J. A. Hobson says,[1] 'It should be remembered that a comparison between England of the present day with England in the decade 1830–40 is eminently favourable to a theory of progress. The period from 1770 to 1840 was the most miserable epoch in the history of the English working-classes. Much of the gain must be rightly regarded rather as a recovery from sickness, than as a growth in normal health. If the decade 1730–40, for example, were taken instead, the progress of the wage-earner, especially in southern England, would be by no means so obvious. The southern agricultural labourer, and the whole body of low-paid workers, were probably in most respects as well off a century and a half ago as they are to-day.' The wages, the hours of labour, the general standard of living of the skilled artisans are better to-day than was

[1] *Problems of Poverty*, page 24.

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the case two generations ago. By trade unionism and by palliative legislation a section of the workers has been raised out of that miserable condition in which all the wage-earners were sixty to eighty years ago. But it is doubtful if the great mass of unorganised, unskilled, and casual labour has improved its position in any appreciable degree.

If one had been writing at the end of the nineteenth century on this topic of the relative condition of the working-classes then and fifty years before, one would have had to deal with facts and figures which showed a tendency in the other direction from that which is indicated by the industrial and social statistics of the first twelve years of the twentieth century. Between 1850 and 1900, the rates of wages, as shown by the Board of Trade Index numbers, rose by 78 per cent., and in the same period the prices of commodities fell by 11 per cent. But it is not safe to take these figures upon their face value. The increase of wages was by no means spread uniformly over the whole wage-earning class, nor does a fall in the average of wholesale prices necessarily mean a corresponding reduction in the cost of living to the working-classes. The fall in prices in the last half of the nineteenth century was mainly in comforts and luxuries. Many of the articles which

enter into the economy of the workers increased in price. Milk, eggs, butter, coal, and rent were all higher in price at the end than at the middle of the last century.

After all, the important matter is not whether the condition of the workers improved between 1850 and 1900, but whether it is showing a tendency to improvement now. About the end of the century we seemed to enter upon a new cycle of tendencies. The previous slight upward movement in the condition of the workers was arrested, and eventually reversed. The permanent tendency now is for the rich to grow richer at an increasingly rapid rate, and for the workers to become, not only relatively, but actually poorer. This reversal of tendency is due, in my opinion, to the greater power of capitalism, which is derived from the closer federation of capitalists and the larger units into which capital is massed. The last dozen years have seen an enormous increase in combinations of capital in the form of joint-stock companies and combines, and of employers' federations of a national character to resist the demands of labour. The Board of Trade Returns on Labour Disputes show that from 1893 to 1900 the number of labour disputes which were settled in favour of the workers was 34·5 per cent., but from 1901 to 1909 the percentage was 23·5.

As has been pointed out already, the progressive advance in wages was arrested about the end of the last century, and since that time there has been no general advance. Taking the Board of Trade figures as to changes in the rates of wages, we find that since the beginning of 1901 up to the end of 1911 there were seven years in which the net result of all changes was a fall of wages, and four years in which net advances were registered. At the end of 1911, on the basis of these figures, wages were £3,000,000 a year lower than at the beginning of 1901. A period of eleven years is a sufficiently long time to take to get the true trend of a movement, and the facts in regard to wages prove that the general tendency is for wages to remain stationary. The increases of wages which have taken place have been mainly in the great, well-organised industries, and in many cases the advances have only been secured after costly labour struggles.

For the last eleven years not only has the tendency been for wages to remain stationary, but in another important respect has the condition of the wage-earning classes deteriorated. The purchasing power of wages has declined considerably. Since 1906 there has been a steady and continuous increase in the prices of commodities. Compared with 1901, the average wholesale prices of the principal

commodities was 13·4 per cent. higher at the end of 1911. The retail prices show a much larger increase than this. In 1912 the Co-operative Wholesale Society published a comparison of prices between 1898 and 1912, from which it appears that for the quantity of coal which could be purchased for 15s. 3d. in 1898 £1 had to be paid in 1912, and that 17s. 10d. spent on groceries in 1898 purchased the same quantity as £1 in 1912. Taking the stationariness of wages and increase in the cost of living together, it is quite clear that there has been since 1901 a serious lowering of the standard of life of the workers in the United Kingdom, judging by the test of wages and the purchasing power of wages.

The figures in regard to pauperism give no support to the optimism which deludes itself that poverty is getting less. Taking the figures for England and Wales, we find that the mean number of indoor paupers rose from 185,862 in 1897 to 256,100 in 1911. There was a decline in the number of outdoor paupers in the same period from 530,146 to 503,181, but it is well known that this does not really mean a reduction in the number of the poor, but is the result of the Poor Law policy which has discouraged the granting of outdoor relief. The statistics in regard to able bodied pauperism afford as good a test of the state of the labour market and the

condition of the poor as can be supplied by the figures of pauperism. In 1897 the number of able-bodied adult persons in receipt of poor relief was 101,829, and in 1911 the number of such had risen to 124,278.

Trade unionism, strikes, labour legislation have not been able to turn the current of economic tendencies, which are now running with such force in the direction of those who control the land and industrial capital. It must not be assumed that trade unionism and labour and social legislation are useless, and have done no good in these last twelve years. On the contrary, trade unionism has been a powerful brake on the general tendency to depress labour conditions, and if it had not been for its influence, the record would have been far less favourable to the working-class than it is. Such legislation as the Workmen's Compensation Act, The Trades' Boards Act, and the Old Age Pensions Act have turned into the pockets of the working-classes many millions a year which, but for these measures, would have been added to the gains of capitalism.

The answer to those who contend that there is a progressive movement going on towards a better distribution of wealth, and that the solution of the poverty problem can be solved without a revolution of our economic system, is supplied by the facts given in this chapter.

The slow advance in the condition of labour which took place in the last half of the nineteenth century has been arrested,—not only arrested but reversed. The great and growing power of capitalism is making it increasingly difficult to maintain, let alone improve, the present standard of working-class life; the owners of land and capital are more and more taking an increasing share of national wealth; and if it can be shown, as Socialists claim, that it is the power given to the landlords and capitalists by the possession of land and capital, which enables them to appropriate such an enormous share of the national income, it will have been established that there can be no real and permanent improvement in the lot of the wage-earners so long as there is a monopoly of land and industrial capital.

CHAPTER IV

THE DEVELOPMENT OF SOCIALIST THEORY

Most people seem to imagine that the present industrial system has existed from the beginning of all things. The arguments against a revolutionary change assume that no other system was, or ever can be, possible. Their

contentions assume that without private landowners land could not be used, and without the private ownership of the tools of production labour would be unable to employ itself, or to use tools and machinery for the production of the necessaries of life. But the simple fact is that the present system of wealth ownership and production is a comparatively recent development, and during the far greater part of the time which man has been on this habitable globe they have lived and worked under very different conditions from those which prevail to-day. There exist to-day, in the several parts of the world, a great variety of systems of land ownership and tenure, and there are many communities still existing where the system of production and distribution of commodities is quite different from that which exists in the great commercial countries. Private land ownership, capitalist production for profit, with competition as the dominating principle, are institutions of comparatively recent origin, and they have in them no more promise of eternal life than the systems they have superseded.

Man is, owing to his physical needs, the slave of nature until he has acquired sufficient knowledge to subdue his master. The relation of an individual to his fellows has in all ages been largely determined by the economic

conditions of the period. In a rude stage of intelligence, where the individual's labour power was so small and his knowledge so limited, that he could produce or obtain by hunting or fishing only sufficient to support himself, it is manifest that there could be no such thing as slavery. It was when man's labour power was more than enough to provide for his primary needs that the institution of slavery arose. Then the strong, in order to escape from the slavery to nature, enslaved his fellows, and compelled the slave to work for him. In that way the slave owner obtained freedom from nature slavery in regard to the supply of his physical needs. The value of associated labour was soon realised, and this gave birth to the tribal system of organisation which was based upon communism. There was economic freedom and personal liberty within the tribe; the tribe made war and raid upon other tribes to secure slaves, but within the tribe the bond of kinship preserved a social and economic equality.

But all through the ages tribes and nations have been obliged to modify their organisation and their mode of life when the environment has changed. Changed economic conditions brought a changed environment, and then there came a desire to adjust the individual and social life to the demands of the new

environment. A revolution in the economic relations of classes was brought about by the downfall of the feudal system, and the overthrow of the Catholic Church and the distribution of its lands. The landlords were relieved from the national obligations which had hitherto been attached to the feudal tenure. The object of the landlord was now to get the highest return from the use of the land. The change turned tens of thousands of people from the land, and made them wanderers on the face of the earth,—thousands of them eventually being brought to the gibbet for begging. At the same time that these changes were taking place in connection with the land, a similar revolution was coming about in general industry. In the Middle Ages, trade not connected with agriculture was organised in guilds. There was not, as a general rule, such a thing as capitalist and wage-worker. The three degrees of apprentice, journeyman, and master were different stages in the career of the same person. But these guilds were overthrown and robbed by Henry VIII., and then a similar state of things to that brought to pass in connection with the land was gradually established—namely, capitalists served by wage labour.

About the end of the eighteenth century there came upon the country the greatest

revolution this nation, or any nation, has ever known, and this revolution completed the work of divorcing the worker from the ownership of the tools of his trade which the changes of the two preceding centuries had partially done. This revolution was brought about by the discovery of the control of steam power and the invention of machinery. In the short space of a generation the methods of wealth production were completely revolutionised. It is the changes brought by this Industrial Revolution which have made Socialism necessary and inevitable. Socialism is the way by which 'the nation under the pressure of its environment will respond to the demands of that environment.' This Industrial Revolution broke up the hand crafts and the individual system of production. It transferred the workshop from the home to the factory, from the village to the town. It changed production from an individual operation to a social function, without harmonising the ownership of the tools and the product with the changed method of work. It widened the market from the locality where the hand producer exchanged his products with his neighbours to a world-wide market. It took away from the workman his former control over his own actions; he was no longer the master of his own life and work; his hours of labour were fixed

not by him but for him. He who had made his own goods in his own way, and put his individuality into his work, was made a mere machine-minder, ever under the orders and the eye of an overseer. Regularity of employment was gone, at one time he was working day and night, and then he had to endure a long spell of unemployment. Competition had now become deified as the ruling principle of trade. This competition regulated not only the price of goods but the value of human life and labour. While the productivity of labour was thus being enhanced beyond all dreams, wages were forced down, the standard of living was degraded, and the cheaper labour of women and children was brought in to tend the new machines. The workhouses were emptied. Children of eight and six years of age were worked in factories and coal mines from twelve to sixteen hours a day. There was no such thing as regulation of labour; there was no attention to sanitation. There was no educational system. The workman, his wife, and his children were whirled round giddily in this maelstrom, until they were finally sucked and overwhelmed.

The Elizabethan statutes which had fixed wages and limited the number of apprentices were found by the employers to be inconsistent with the exercise of the freedom they desired to exploit the new opportunities, and

they were repealed by Parliament. But while any advantage which the workers might have derived from the fixing of a legal wage by the justices was taken away, the Combination Laws remained, and penalised any attempt on the part of two or more workmen to join together to raise their wages, or to interfere in any way with the freedom of unrestricted competition to fix wages. This period is the most awful in the industrial and social history of the British working-class. The history of the period is one long record of the constant persecution of the workers and the unmerciful repression of their efforts at political and social improvement. But it was the El Dorado of the unscrupulous capitalist. The wealth of the country increased in twenty years of this period by two thousand millions of pounds. The profits were so enormous that the employer begrudged every moment the machinery was idle. This country had a world market at its feet, and the contemporary invention of the railway engine and the steamship made its exploitation more easy. The commercial greatness of Britain was built up in those days by an industrial slavery worse than any chattel slavery the world had ever known,—worse in its actual deeds, infinitely worse because it was glorified as individual liberty. It seemed at this period as if Nature, wroth that her secrets

had been taken from her, had invoked the help of some malignant spirit who had turned the forces of Nature which man had enslaved against man himself.

This was the condition of things which had been created by the Industrial Revolution, and contemporary there had been brought about a no less striking and important revolution of ideas, largely by the teachings of the French philosophers. This mental revolution expressed itself in the French Revolution, which was a revolt against the tyranny and rottenness of the French aristocracy. This Revolution exalted Reason to the throne and had Liberty, Equality, and Fraternity for its watchwords. The working-classes of Great Britain were impressed by the new ideas which had produced so profound an impression in France, and for a long time after the Revolution these ideas influenced the political thought and actions of the British working-classes. With such ideas of the equality of men and of liberty abroad, and with industrial conditions so opposed to such ideas, it was but natural that theories should be advanced and schemes propounded for the reorganisation of industry and society in accordance with the new conception of social theories and popular rights.

Modern Socialism in its first crude form arose simultaneously in England and in

France about the year 1817. Although the pioneers of Socialism in both countries were influenced by both the industrial and mental movements of the time, yet owing to the more highly developed and acute industrialism of Great Britain, early English Socialism was more directly the creature of industrialism, while French Socialism was more philosophic. The first French Socialist was Count Henri Saint-Simon, who belonged to the ducal family of that name. He seems to have obtained his ideas for a reorganised society by the contemplation of the decrepit and useless feudal system of France, which no longer controlled society nor rendered any useful social service, but was a parasite on the new industrialism which was then developing in France. From the contemplation of the past history and social functions of feudalism, Saint-Simon conceived the idea of a reorganised society in which the feudal lords should be supplanted by industrial chiefs, and society should be an industrial State directed by modern science under the authority of these industrial managers. There was little democracy in the theories of Saint-Simon. He would have an aristocracy of ability who should be the rulers. It was the paternalism of feudalism applied to industrialism. There is nothing in the writings of Saint-Simon about the essential antagonism between the interests of classes,

which is the leading idea in the Socialist theories of later Socialists. He reduces the divine element in Christianity to the simple precept that men should act towards each other as brethren, and he demands that temporal institutions should all be established on that principle. He regarded the existence of a poor class as immoral, and desired that society should be organised in such a way as to best attain the amelioration of the physical and moral condition of the poor. During his lifetime, Saint-Simon made little impression with his views. He left at his death, however, a few disciples, among whom were some men of brilliant parts, who by the advocacy of these ideas soon gathered together some of the ablest young men then in Paris. Under the inspiration of these recruits the theories of Saint-Simon were elaborated, and we begin to see in the teachings of the followers of Saint-Simon the germs of some of the theories of later Socialist writers. They pointed out that the character of an epoch depends upon the extent to which the spirit of social antagonism or social association prevails. They proclaim that the spirit of association is to be the factor in the social development of the future, and that instead of the exploitation of man by man there must be the exploitation of the globe by men associated together. To these

sound social theories, the followers of Saint-Simon added some heterodox views on theology; and in regard to the family and the relations of the sexes, they advocated the complete emancipation of woman and her equality with man. There was much that was good, and a great deal that was crude, in the ideas of Saint-Simon and his school. But it must be remembered that they were pioneers in an untrodden land, and that the great social problem which had to be solved had not in their day fully unfolded itself.

On the decline of Saint-Simonism the theories and suggestions of Fourier began to attract attention. The proposals of Fourier were fantastically Utopian, though in some respects based on sound principles. The lesson is constantly forcing itself upon the students of social theories that ideas which have been rejected when first propounded have afterwards to be taken up again, because it is found that there was a germ of truth in the centre of the scheme. In many respects, however, the ideas of Fourier were in opposition to nearly everything which is now regarded as a rule of social progress. He proposed the organisation of the people in small communities of 400 families, or 1800 persons living on a square league of land. These communities were to be self-supporting and self-contained, and they were to provide

every means for the full and free development of individual capacities. Fourier was a voluntaryist. He hoped that private philanthropy would provide the means for the establishment of his first 'phalange,' and he was confident that its success would encourage others to be established, until such communities would cover the world. While retaining the full rights of local control, it was suggested that these communities would freely group themselves until a world-wide federation was formed. The value of Fourier's work is in its incisive criticism of existing society, and especially in his recognition of the place of the free local group in any scheme of social organisation; and in the recognition of the need for providing safeguards against possible tyranny either inside or from outside the group.

Up to this time these social theories had appealed to the educated classes only. But about 1830, Socialism passed from the academic stage into the political life of France. In 1830 in France, and in 1832 in Great Britain, the middle-classes were enfranchised. Up to this time they and the working-classes had fought together against the aristocracy, and for political enfranchisement. But the exclusion of the working-classes from political rights by these Reform Acts, left the working-class in the position of being the one distinct

class of political outcasts, and put the middle-class among the privileged and ruling powers. This made the working-classes conscious of their position as a class apart from the landlord and commercial classes, and the outcome was the formation of working-class political parties. In England the movement took the form of Chartism; in France, political Socialism. Paris became the centre of European social fermentation.

With Louis Blanc, Socialism is first brought into association with the political life of France. In the history of the Socialist movement of this period, we recognise features with which we are familiar to-day. Louis Blanc had a clearer understanding of the social question and made more valuable contributions to social theories than perhaps any of the great leaders who immediately followed him. He saw something of the stupendous nature of the work of social reorganisation which had to be accomplished. He saw that no force less than the power of the State could undertake such a task. He demanded, therefore, the democratic organisation of the State as the first step towards economic and industrial reform. He pointed out that the social reformers must have the State, the law, and the army on their side, for if not with them these forces would be against them. Therefore the first step was

for the proletariat to seize political power, and to use that political power to gradually reorganise society under the credit of the State. The Revolution of 1848 established the legislature in France on the basis of popular government. In the Provisional Government which followed the Revolution Louis Blanc obtained a seat, hoping to have an opportunity of beginning to establish his schemes of Government workshops. But the Government was not favourable to his proposals. A number of workshops were opened, but it is made clear in the Report of the Committee of Inquiry which was afterwards appointed that these workshops were deliberately started for the purpose of discrediting Louis Blanc's proposals. But the fact that, even under such circumstances, some of these workshops did succeed, is evidence that the idea had in it the possibilities of success. To Louis Blanc belongs the credit of having first recognised the need for working-class solidarity, and the part that political action must play in bringing about the reorganisation of society on Socialist lines,—ideas which were afterwards greatly elaborated by Marx, and made the basis of his school of Socialism.

Proudhon was a contemporary of Louis Blanc. In his writings we have a further advance in the development of Socialist theory. He was an economist, and he tried

to do for political economy what Ruskin did at a later time—namely, to suffuse economic theories with the principles of justice and liberty. He opposed much of the Socialism of his time as being Utopian and imaginative. He declared that society must be established on scientific principles, and that science is not a thing we have to invent from our imaginations, but is a thing which exists and which we have to discover. Proudhon in economics, like Louis Blanc in politics, ridiculed the idea of reforming society except by a long process of gradual change. He wisely distinguished between transition and perfection, and while declining to forecast what the final form of society would be, he advocated as transition reforms the taxation of rent and interest, and the co-operative organisation of industry. Proudhon's writings distinctly advanced Socialism as a social system based on science.

In the year 1816, the year before Saint-Simon issued his first Socialist writings, Robert Owen laid before a Committee of the House of Commons his proposals for the establishment of industrial communities. That Report was issued in 1817. Robert Owen derived his Socialist ideas from his experience of the Industrial Revolution. At the age of nineteen he was manager of a Manchester cotton mill, and by his organising skill he made it

one of the first concerns in the trade. He settled down later near Glasgow, and he afterwards related that it was the sight of the awful condition of the factory people that first turned his attention to social questions. He wondered how it was that this body of 2000 workers who were turning out as much wealth in cotton goods as would have needed the labour of 600,000 hand-workers a generation before were in such a deplorable condition, and were receiving none of the possible benefits of this increase in labour power. He pondered over that problem until he found the cause, and then he formulated his schemes of reform. Like Proudhon and Ruskin, he protested against the idea that human life should be sacrificed to the production of wealth. He recognised how hopeless it was to expect that a people so degraded and helpless could emancipate themselves without some preparatory amelioration of their lot by the help of others. His first efforts were philanthropic. He improved the housing, he established co-operative stores, which he encouraged the workmen to manage themselves as an education. But the work he did and the results he obtained are best told in his own words. Writing years after this, he said in a letter to *The Times* (1834): 'For twenty-nine years we did without the necessity for magistrates or lawyers, without a

single legal punishment, without any known poor's rate, without intemperance, and without religious animosities. We reduced the hours of labour, well educated all the children from infancy, improved the condition of the adults, paid interest upon capital, and cleared upwards of £300,000 profit.' The success of Owen's work at social reform attracted world-wide attention. The results he achieved may not be set down to the credit of democratic Socialism, but they do at least support one important Socialist contention, and one which Owen was the first to put forward—namely, the great influence which environment has in forming character, and how necessary healthy conditions and rational opportunities are to make better human beings.

But Owen saw clearly that philanthropy would not solve the social problem. In the evidence he gave before the House of Commons Committee, he propounded his Socialist schemes. He recommended the establishment of communities very much on the lines of Fourier's 'phalange.' His proposals were received with considerable favour when they first appeared, and there seemed a probability of their adoption tentatively, when at a public meeting in London he went out of his way to attack all the recognised forms of religion. At once his social schemes were associated with atheism, and in that intolerant

age such a taint was enough to condemn any proposal. When the prospect of State help was gone, Owen set himself to establish such colonies himself. He sunk his fortune in two or three such schemes, none of which attained any measure of success. The reasons for the failures of Owen's colonies are clear enough. His methods were not in harmony with the laws of social evolution. Men cannot be suddenly transferred to a new environment and at once adapt themselves to it. The new conditions must grow, and the men must grow with the new conditions.

The founding of ideal colonies has had an attraction for certain minds ever since the early Christians set the example, with results no more successful than have been achieved by any subsequent attempt. But this Utopia founding is not Socialism: it is the very negation of Socialism. The criticism of such schemes from the Socialist point of view has been admirably stated by Mr Sidney Webb.[1] He says, 'The authors of such schemes are often chided for their unbounded faith in human nature. To me, on the contrary, they seem to be throwing up the sponge in despair. Their disgust with the world of competition and industrialism, their impatience with the slow and gradual methods of democratic progress come really not from too much but too

[1] *Socialism—True and False*, page 20.

little faith in human nature. . . . The aim of the modern Socialist movement, I take it, is not to enable this or that comparatively free person to lead an ideal life, but to loosen the fetters of the millions who toil in our factories and mines, and who cannot possibly be moved to Freeland or Topolobampo. . . . Wise prophets nowadays do not found a partial community which adopts the whole faith; they cause rather the partial adoption of their faith by the whole community.'

Though Robert Owen appeared to fail during his lifetime, a later generation has realised the greatness of his work, and has appreciated the substantial contribution he made to human progress. He was a pioneer, and the work of pioneers is never to be judged by the work they themselves actually accomplish. But perhaps no man of the nineteenth century planted seed which has produced so rich a crop in after years as did Robert Owen. He was the founder of Infant Schools, the father of Factory Legislation, the founder of the Co-operative Movement; and he it was who by his agitation was mainly responsible for the passing of the Municipal Corporations Act of 1836, out of which has grown those magnificent monuments of local democratic government.

Contemporary with the later days of Owenism was the Chartist movement. Though

prominently a demand for the political franchise, Chartism was in its ultimate aim an economic movement, and was the British counterpart of the Revolutionary agitation which at the same time was convulsing the continent of Europe. The literature and speeches of the Chartist movement were devoted far less to the political demand than to the expounding of economic theories, to the exposure of landlordism and capitalism, and to emphasising the point that the Charter was needed to obtain the control of political power, so that that possession might be used to establish industrial freedom. The analogy between the gospel of Chartism and that of the contemporary French Socialist movement under Louis Blanc was very close. The amelioration of the lot of the workers following upon the repeal of the Corn Laws and the passing of the Ten Hours Factory Act, together with the internal quarrels on policy between the political Chartists and the physical force Chartists (the Syndicalists of that day) caused the break up of the movement, and after its collapse the steadier section of the Chartists turned their attention to trade union organisation and to the co-operative movement, in which work they were aided by the enthusiastic band of Christian Socialists led by Maurice, Kingsley, and Ludlow.

After the Revolution of 1848, and the collapse of Chartism in England, Socialism for a time disappeared as an active movement in both France and Great Britain, and for the continuity of historic Socialism we have now to turn to Germany. After the French Revolution of 1848, there settled in the Rhine country a group of men who were destined to make a great impression upon the world's political history. These men were Karl Marx, Frederick Engels, and Ferdinand Lassalle. In Lassalle the movement found its agitator and organiser; in Marx its scholar and teacher. About the time Lassalle came into political life (about 1862) there was no political party in Germany to which the democratic sentiment could ally itself, and Lassalle set to work to form a genuine working-class party out of the discontented elements. In his celebrated *Open Letter*, he expounded with marvellous clearness and wonderful knowledge the principles which should guide the working-classes in their political and social aspirations. Here we have the Socialist movement first establishing itself as an independent political party. This new party, named the Workmen's Association, put forward its programme. It declared that social reform was the working man's question, and that the time had come in the course of historic evolution when the working-classes

were called upon to be the paramount political power as the preliminary step to working out their economic emancipation. The function of the State, Lassalle declared, was not that of a night-watchman whose only duty it was to prevent robbery and violence. The function of the State was to establish conditions which would enable the individual to reach to a culture, freedom, and happiness which he could never reach by his unaided efforts. It was for the working class—which is identical with the whole human race—to use the State for this purpose. Lassalle accepted the orthodox political economy, and from that showed that the existing economic order could never provide any substantial improvement in the condition of the wage-earners, and that improvement could only be obtained by abolishing the existing relations of labour and capitalism, out of which the misery of the people sprang. The famous 'Iron Law of Wages'—the theory that under capitalism and competition wages tended to sink to the point of bare subsistence—with which the name of Lassalle is associated was not a theory created by himself, but was his logical deduction from the teaching of the orthodox political economists, particularly Ricardo. In this agitation Lassalle laid the foundations of the German Social Democratic Party, that great and growing workers' party which

is the admiration of Socialists the world over.

Contemporary with Lassalle's political agitation, Karl Marx, the greatest name in the history of Socialism, was formulating those economic theories which have so powerfully influenced the subsequent development of Socialist opinion. He was a man of marvellous power—a Jew, like Lassalle—and possessed a learning which covered the whole range of economics, history, and philosophy. He felt that the Socialist theories of his predecessors were wanting in scientific basis, and he devoted himself and his great knowledge to remedying this defect. As the theories and contentions of Marx have played such an important part in the Socialist movement, and as these theories are still the accepted creed of the great body of Continental Socialists, it is necessary that they should receive as full a consideration as the limits of space in this brief treatise will permit.

CHAPTER V

THE THEORIES OF MARX

MARX's great work is his *Das Capital*, a critical analysis of the modern, or, as he designated it, the capitalistic method of production. This work has only recently been made available in complete form to English readers, though it was first published in Germany in 1867. The style of the work is neither interesting nor clear, though it is a very encyclopedia of economic facts, arguments, and theories. Very few have either the time or the inclination to make a careful study of these ponderous volumes; but the gist of his philosophy can be found in a compact form in the *Communist Manifesto*—that extraordinary document which Professor Sombart describes as 'an unequalled masterpiece of convincing eloquence.' This *Manifesto* was issued in 1847, when Marx and Engels were both young men; but the later writings of both are only developments of the ideas set forth in this appeal.

The three leading ideas expounded by Marx are the theory of surplus value, the economic interpretation of history, and the historic

law of the class struggle. His analysis of the capitalistic method of production leads him to the conclusion that it is based upon a system of the legal appropriation of the products of unpaid labour. Accepting the Ricardian law of wages (that wages by the competition of labourers for employment by the capitalist tend to fall to the level of bare subsistence), he points out that the value of the labourer's product is in excess of wages paid to him, in other words he produces a surplus which is appropriated by the capitalist, some part of which the capitalist shares with the landlord or the money-lord, in the form of rent or interest. Under the modern system of production the workman cannot employ himself. He must find some one who owns tools and machinery, who controls land and raw material, and who has access to markets. The wages paid to the labourer must be sufficient to support himself and his family, as it is necessary that capitalism should have an undiminished supply of labour. Though it is necessary to capitalism that the working-class as a class must be maintained, it by no means follows that capitalism finds it necessary to maintain all individual members of the working-class. The capital by which labour is employed is, according to Marx, the stored-up surplus

value of labour power,—in other words, represents the property which the capitalist has appropriated from the past production of the worker.

The second feature of Marx's contribution to Socialist theory is the doctrine of the economic intrepretation of history. This theory is stated so clearly and succinctly in the preface written in 1888 to the new edition of the *Communist Manifesto*, that it would be well to quote the paragraph in full :—

'In every historical epoch, the prevailing mode of economic production and exchange, and the social organisation necessarily following from it, form the basis upon which is built up, and from which alone can be explained, the political and intellectual history of that epoch ; consequently the whole history of mankind (since the dissolution of primitive tribal society, holding land in common ownership) has been a history of class struggles, contests between exploiting and exploited, ruling and oppressed classes; and from this it results that the history of these class struggles forms a series of evolution in which, nowadays, a stage has been reached where the exploited and oppressed class—the proletariat—cannot attain its emancipation from the exploiting and ruling class—the bourgeoisie—without, at the same

time, at once and for all, emancipating society at large from all exploitation, oppression, class distinctions, and class struggles.'

Marx's theory of the 'Class struggle,' or of the class war, as it is more often called, is especially interesting, because it claims not only to express the method by which the economic struggles of the past have been carried on, but to indicate the line of Socialist policy for the future. This doctrine of the class struggle follows from the theory of surplus value, and it will be noted that in the extract from Engels given above the character of the prevailing mode of economic production and exchange is given as the reason for the class struggle. The doctrine of the class struggle assumes the division of society into two great classes—the capitalist class and the working-class, with interests which are in complete antagonism. The object of capitalism is to appropriate surplus value, and to attain that object capitalism organises and secures the control of politics and of all the forces by which it can maintain its position and exact its tolls. When the working-class become conscious that they are being exploited, that out of their labour an idle class is being maintained in comfort, and that the working-class are condemned to misery, wretchedness, poverty, slavery, and ignorance, because of the appropriation by the non-producers of

so much of the wealth they create, the working-class, recognising their common lot and common need, will organise as a class to get their rights and to put an end to their exploitation.

The doctrine of the class struggle asserts that all history is the history of class struggles, that the emancipation of a subject and exploited class has always come by that class waging a struggle against its oppressors, and that in the present epoch the only way in which the workers can be freed from capitalistic domination and exploitation is by organising themselves and fighting the exploiting class, who being already organised for the maintenance and protection of their interests, will oppose the demands of the workers. The advocates of the class struggle, as the policy for the attainment of Socialism, point to the many forms in which that struggle is going on to-day. The workers have been obliged to organise in trade unions to fight the master class. The master class fight the trade unions. Every strike is an illustration of the class war at work. The conflict between the worker class for more of the results of their labour in the form of higher wages, and the master class for more in the form of larger profits, is an undoubted fact of everyday life. This arises from class antagonism. The struggle is the class war.

These three theories—surplus value, the economic interpretation of history, and the class struggle—are the outstanding features of Marxian teaching, but not less interesting, if not so important, is Marx's criticism of the methods of capitalist production and his forecast of the future of capitalist development. The theory of the concentration of capital, which had first been advanced by Louis Blanc, is worked out in great detail by Marx, and the development of the unit of capital since his day has fulfilled his forecast. This theory lays it down that by the appropriation of surplus value, and by the elimination of the weaker capitalists by competition, the unit of capital will tend to increase, until eventually all the small capitalists will be destroyed or absorbed, and industry will be controlled nationally and internationally by one huge unit of capital. From this theory naturally follows that of the socialisation of capital. The concentration of capital is preparing for the social ownership and control of it,—in other words, capitalism is preparing the way for Socialism. Other forecasts of economic development which Marx made are what are called the theory of pauperisation and the theory of self-destruction. The first lays it down that under capitalism the condition of the workers must get worse and worse. This theory was used to support the

doctrine of the class war,—for if the condition of the workers continued to get worse their sufferings would develop their class consciousness and stimulate them to wage the war against their oppressors with ever increasing vigour. The theory of self-destruction declares that the capitalistic system contains within itself the germs of its own destruction. It is asserted that the commercial crises which occasionally occur will increase in frequency and in severity until finally capitalism collapses because of its inability to keep the organisation it has built up at work.

From the foregoing very brief and inadequate summary of the theories and teachings of Marx it will be seen how valuable and interesting are the contributions which he made to the scientific study of the Social Problem. There may be those among the Socialists still who regard Marx as the inspired and infallible law-giver, but it is no detraction from the value of the work he did to have to admit that in many respects subsequent experience and research and study have led Socialists to modify some of his theories and to reject others altogether. But the Social Problem is bigger than any individual, and it has never been given to one man, however great and gifted, to see and to expound the full truth of all that is included in it.

Marx's doctrine of surplus value does not depend upon his general theory of value, which has never been accepted universally by Socialists. The doctrine of surplus value, or of surplus labour as it is sometimes called, is not like a theory of value—an abstract idea. It is a concrete fact. The modern capitalist system is so highly organised and its operations are so intricate, that the unpaid value of the worker's product is often obscured, yet it can be found in concrete form by a little investigation. The existence of a rich class who do no labour is the conclusive proof of the claim that labour does not receive all that labour creates, but that a surplus over and above the wages of labour is appropriated in some way and in some form by those who do no work. But to admit the truth of the doctrine of surplus value does not involve an acceptance of the doctrine in the crude form in which it is expounded in the *Communist Manifesto*, where the idea is conveyed that manual labour is the sole producer of wealth. In his later writings, Marx seems to express that view at times, though at others he very clearly recognises the contribution made to production by directive ability and mental capabilities. But if Marx and Engels did really hold that the surplus value which was not taken by the manual workers was the robbery of that class, they erred in very

distinguished company, for the formula that 'all wealth is produced by labour,' did not originate with Socialist writers.

In like manner, the statement that the whole political and intellectual history of an epoch is to be explained solely by a reference to the prevailing mode of economic production, is a claim which even the devoted followers of Marx have been compelled to abandon in its fullness. That the economic condition of a given period has very largely determined the form of social organisation, and the intellectual movements of that age, is undoubtedly true. And it is also true that in a large measure economic interests have determined men's actions in all ages. But the human race has not been always the blind slave of economic conditions or of nature. There is in all things a most intricate and elaborate interplay of influences and forces which act and react upon each other, and it can never be asserted with assurance that any particular result is the outcome of one or other cause only. When great economic changes have come unexpectedly they have carried men and institutions unresistingly along for a time. But sooner or later human resistance to this slavery to environment has come, and finally the subjection of economic conditions to man's will. Ethical motives and religious ideas have played a part in

moulding political and intellectual history, and indeed in influencing the mode of economic production and exchange. Marx is right in insisting upon the tremendous influence which economic conditions have had upon political and intellectual history, and even upon religion, but few people would agree that all history is to be interpreted solely by reference to the mode of economic production and exchange. That enthusiastic and veteran Marxian, who has spent a lifetime in trying to get the British working-class to understand the theories and appeal of his master—Mr H. M. Hyndman—has put the matter more accurately when he said, 'Economics in the main, but by no means wholly, guide the course of human development.'[1]

Marx's theory of the concentration of capital is being fulfilled before our eyes, but not quite in the way that he anticipated. In certain industries, especially those in the distributive trades, there is a remarkable power of resistance being shown by the smaller shopkeepers to the power of the larger units of capital. In agriculture, too, the concentration of capital has not made much headway, and indeed there seems to be a tendency in the opposite direction. This theory of concentration is dealt with at length in a later

[1] *Economics of Socialism*, page 253.

chapter of this book,[1] as is also the correlated theory of the socialisation of capital, and the theory of increasing poverty is dealt with in a previous chapter.[2] A comparison of the condition of the working-class at the time Marx and Engels wrote the *Communist Manifesto* with the condition of that class to-day certainly does not support the statement that: 'The modern worker instead of rising with the advance of industry, sinks deeper and deeper because of the conditions which his own class impose upon him. The worker becomes a pauper, and pauperism develops even more quickly than population or wealth.' The experience of the seventy years since that statement was made has proved that it was not an accurate forecast of working-class movement. Marx fell into the error of believing that the condition of the workers would get worse and worse because he did not anticipate that the organised power of the working-classes would be used more to secure palliative reforms by legislation and by voluntary association than to seize political power for the purpose of overthrowing the capitalist system. It is undeniable that if the capitalist system had been allowed to operate without social regulation and control, what Marx prophesied would have happened. It did happen until the public conscience and the

[1] Chapter VII. [2] Chapter III.

enlightened self-interest of the capitalists realised there must be some bridle put upon unrestricted competition, or the speedy result would be the annihilation of the working-class and the degradation of all. Marx, though wrong as to what would actually happen, was perfectly right in declaring that the effect of the capitalist system was to increase the poverty of the workers. But as we have seen there are two senses in which it is true that the modern workers instead of rising with the advance of industry have become poorer. In relation to the total wealth of the nation, in the share of the national income which comes to the workers, they are poorer than ever before. And if we take poverty as being something more than the inability to get the bare necessaries of a physical existence, if we define it as being the inability to satisfy intellectual and rational desires also, then, in that sense too there is more poverty to-day than ever. In these senses Marx was right in his theory of increasing poverty, but he was wrong in anticipating that the primary poverty of the workers would increase.

The class war still remains the doctrine, or the dogma, of a great body of Socialist opinion. Those Socialists (and this class constitute the vast body of British Socialists) who do not agree that Socialist policy must be based on the recognition of the class war, do not deny

the existence of the antagonism between the capitalists and the working-classes. They deny, however, that the desired end—the making of the means of production collective property—can be attained by the ruthless and relentless prosecution of the class war. Such a struggle cannot develop among either of the parties to it that social spirit which is the prime essential for a Socialist community. If it were possible that the class war, determinedly pursued, could succeed in the overthrowing of capitalism, there could not be at once the change of the class hatred into a feeling of universal brotherhood, even though the institution which had aroused the class antagonism had been destroyed. The preaching of the doctrine of the class war keeps alive and excites that very spirit of sectionalism and hatred which prevents men from realising that in the highest sense the interest of each is the interest of all. Socialism will come only when the great body of men and women have intellectually become convinced that they can promote their own welfare only by promoting the common welfare. There is a practical as well as a moral reason against advocating Socialism by the gospel of the class war. The division of classes is not by a straight horizontal line. Among the wage-earners there are large numbers who have some interest in the maintenance of the

capitalist system, who are in a small way landlords and capitalists, who draw rent and interest, who appropriate surplus value. Their personal interest, it is true, may be very largely as wage-earners, and the surplus value which is taken from them may be enormously more than what they appropriate, but they have conflicting personal interests, and in such circumstances they cannot develop the revolutionary fervour which it is the aim of the class-war doctrine to inspire. But such people may be convinced intellectually of the injustice of the existing system and of the advantage of collectivist order. That is the war which must be preached,—the war on the ignorance which is so blind as to think that such an economic order as the present is in the real interest of any class. It is said that no class ever emancipated itself except by a class struggle against the then existing dominant class. In modern times there have been many instances where the institution of chattel slavery was abolished by those who did not belong to that class. Ancient slavery and mediæval feudalism were not abolished by the vassal class uniting together and overthrowing the system. It is the contention of those who urge the relentless prosecution of the class war that these other forms of subjection and oppression disappeared because the slave-owning and

feudal class realised that it was more to their own interest to have 'free' labour. Precisely so, and that is the conclusive reason for believing that the present industrial slavery will be abolished by the enlightened self-interest and ethical impulses of all classes recognising that the system is no longer economically or morally defensible. No working-class reform was ever won by the workers alone. They have always had the help of men of wealth and leisure, who had risen above all class feeling and were moved by the social instinct. Practically without an exception, all the great names in the history of Socialism are those of men who belonged not to the proletariat but to the propertied class.

By the work of Lassalle and Marx, Socialism became established as a permanent part of the political life of most of the industrial nations. Since their day, the work of sifting Socialist theories has been carried on by innumerable economists and scientists and others, and while examination and experience and criticism have strengthened some old opinions, they have brought to light a new point of view from which other phases of the great question is seen. But out of all the controversy and inquiry of the century, the fundamental principle of Socialism emerges unshaken and victorious—namely, that the next social system in the order of evolution

must be one where associated effort will have superseded competition in industry, and where industrial capital will be collectively owned and controlled. That question is settled, but as to the precise way in which Socialism will come, and as to the precise form institutions will assume under Socialism, the intelligent Socialist leaves the wisdom and knowledge of the future to settle. The details and methods will be determined largely by the form which the great industrial operations assume in the process of evolution, and by the political ideas which will prevail in the further stages of the transition period. Socialist theory to-day no more claims to be complete and incapable of amendment than the doctrines of theology or the theories of natural science. But the fair-minded critic of theology does not seize the absurdities of discarded creeds to ridicule and condemn all religions, nor does the practical man refuse to utilise the known powers of science because theorists differ as to the real nature of the force. It was no more to be expected that a full and complete knowledge of Socialism would enter into the minds of men all at once than it is reasonable to suppose that a deliberately conceived system can be established on a particular day. The history of Socialism is the record of honest inquiry into industrial and social facts, and though in the course of

the inquiry many previously accepted ideas have had to be discarded in the light of fuller knowledge, the record of this inquiry is one of constantly increasing truth firmly established by the test of experience. It is perfectly true that in the evolution of the Socialist idea a great deal has at times become associated with it which had no essential relation to Socialism. In this respect Socialism is not different from other great movements. Extravagance is associated with all new movements, because such movements are begun by men who are inspired by great enthusiasm and idealism, but who in the beginning are but as children groping in the dark, and in the darkness objects assume fantastic shapes. The accidental and unessential matters which have at times become associated with Socialism have been emphasised by historians and critics until the public has come to regard these things as Socialism, and the vital principle of Socialism has been lost. This misrepresentation of the principles and aims of Socialism in these days is inexcusable. The selection of discarded Socialism for criticism, or the association of Socialism with the views upon other questions held by individual Socialists, is really a confession of the unanswerable character of the Socialism of to-day.

CHAPTER VI

THE EVILS OF COMPETITION

The personal advantages which the possession of land and capital afford leads to a perpetual struggle among individuals to become the possessors of land and capital. In this competitive struggle, places are being constantly exchanged. Individuals pass from the one class to the other, and in the struggle millions are maimed, crushed, and killed. Competition, or the struggle for existence as it is called, is defended by individualists on many grounds. Competition is said to be the law of progress; that competition is necessary to keep the human powers in activity. Without competition, it is maintained, the human race would deteriorate, and life would become a dull and dreary existence. It is competition, its defenders say, which has brought human beings from savagery, and has given us invention, science, culture, and all that is understood by civilisation.

Socialists neither say that all competition is bad, nor deny that competition has been helpful in advancing progress. They admit that much competition is good, and that competition has helped to give men the command

over the forces of nature which we have to-day. Competition has served a useful purpose in the past. It is serving a useful purpose to-day in some respects. Few instincts or actions are bad intrinsically. The same arm and strength which can rescue a fellow-being from death can destroy human life. The instinct of competition is in human nature; it will always be there. It can be used to serve a really beneficial purpose. It can be used to rob and to destroy. Socialists maintain that the instinct of competition applied to the production and distribution of wealth is wrongly applied, and that it is productive of untold misery, waste, and ruin. They maintain further, that if co-operation were substituted for competition in industry, progress would be more rapid, the total of human effort usefully employed would be greatly increased, and human existence would be made happier for all.

Competition, its defenders claim, makes character. It does. But what is the kind of character the competitive struggle develops? It develops not the human but the animal instincts of men. It makes men hard, cruel, selfish, acquisitive. Success in the competitive struggle is incompatible with self-sacrifice. As one American millionaire is reported to have said, 'the maxim of a business man should be to get his competitor into a corner

and keep him there.' Competition, it is said, has made the great men whom the world delights to honour, and to whom the world is indebted for priceless advantages. That is not so. The men who have been successful by competition are the men who achieved success by crushing every obstacle which has been met in their way. The men who have benefited the race, and whose memories are held in grateful remembrance, are those who served their fellows without seeking personal gain. The men who have amassed great fortunes are not the artists, scholars, poets, scientists, doctors, or even (with very few exceptions) inventors. The men who have been successful as business men are those who have had the animal instinct of acquisitiveness, who have had the cuteness to take advantage of opportunities, and who have sacrificed all else to the pursuit of making money.

Competition is also defended on the ground that it gives advantages to both workmen and consumers. It enables the workman to secure higher wages, and the consumer to get commodities at lower prices. Neither of these claims is true, except in very rare circumstances. If there were fewer workmen than jobs, competition of employers would enable workmen to demand and secure higher wages. But that is very rarely the

position. There are always more men than jobs in the aggregate, and the general effect of competition on wages is to depress the rate. Competition does not really benefit the consumer by a reduction of prices. Competition does force down prices, it is true, but it should be remembered that when the lowest price has been reached, there must be included in that price all the cost of competition, and of the needless and useless number of producers and distributors. In a previous chapter it has been pointed out how machinery has lessened the amount of labour required to produce commodities. But there has been no corresponding reduction in the price of commodities. In a factory where cheap socks are made, 5000 dozen of socks are turned out every twenty-four hours by the labour of fifty boys who mind machines. Under the old method this work would have required about 50,000 men or women. But there has been no corresponding reduction in the price of a pair of socks. It is doubtful if cloth of the same quality is very much cheaper to-day than it was when it required a village of hand-workers to turn out what one factory worker can produce to-day. It is perfectly true that cloth can be bought now at very much lower prices than formerly, but what is gained in price is lost in quality. It can be set down to the credit of competition that it has brought

shoddy and imitations of a genuine article within the means of the poor.

That competition does benefit the consumer is a plausible fallacy. As between competition and private monopoly the consumer probably gets an advantage under competition. But when a consumer is buying an article to-day, which competition has forced down to the lowest selling price, the consumer pays for that article enormously more than has been paid in the necessary cost of production. If it be a box of pills he buys, nine-tenths of what he pays is the cost of advertising. It costs more to sell a sewing machine or a typewriter than to make it. If he buys a pair of boots, he is charged in the cost a proportion of the working expenses of a dozen other shops in the same street, who offer the identical pair of boots at the same price.

Machinery is not a bad thing in itself. It is a very good thing. But under competition its use often does far more harm than good. Machine invention takes away the workman's skill. He may have been apprenticed to a trade and attained great skill by years of practice. A mechanical device, which can be operated by a boy, comes into use, and the former skilled workmen is thrown into the ranks of the unskilled labourers. It is not true nowadays that machine invention by

cheapening the cost of commodities causes such an increase of demand and consumption that the volume of employment is increased. There was some truth in that contention in days gone by when there was a vast world-market waiting to be developed. It is no longer true. The figures of the census of 1911 are not yet available, but the figures of previous censuses for forty years show that in nearly all the productive industries of Great Britain the number of workpeople employed in proportion to the population had been declining. The occupations which show large increases are those which supply the luxuries of the rich, and those in which men are trying to get a living by their own efforts. The employment in the distributive and transport services is increasing rapidly, as is the number of small shopkeepers and agents, though there is a strong economic tendency for this class to become smaller. The fact that the number of such is increasing in spite of the severe competition of the great multiple shops, only proves the increasing difficulty which is found in getting employment in productive work. The increasing productivity of the unit of labour, coupled with the fact that the purchasing power of the wage-earning class is not increasing, is largely responsible for the increase in the number of non-productive workers.

Competition causes enormous waste of labour and of capital. There is no organisation of production with a view of meeting the demands of a known and stable market. The capitalist is a competitor in a world-wide market, the needs of which he cannot estimate. Production is largely speculative. The whole object of competitive production is that one man may get the trade which another man is also anxious to secure. In the hope of securing some part of the trade, men borrow capital or invest what they may have. It is not that the capital already in the trade is not sufficient to meet the demands of that trade. The capitalist does not enter into business, as a general rule, to do work for which there is a demand but no supply, but to take away business from others already in the trade. The result of this haphazard method of production is that vast sums of capital are wasted and lost. In the last six years there have been over 30,000 bankruptcies in Great Britain which have involved a loss to creditors of over £42,000,000. It is well known that for every unsuccessful business man who goes into bankruptcy, seven others leave business without that formality after losing all their capital, and often considerable sums of other people's capital. In the three chief commercial countries, the United Kingdom, the United States, and

Germany, between 1900 and 1907, there were over 90,000 bankruptcies, with liabilities amounting to about £270,000,000. It is impossible to put into a statistical form the worry, misery, and trouble which was caused by the struggles to keep afloat, only in the end to come to grief. Competition is largely responsible for insanity, suicide, and drinking. The keenness of the competitive struggle is making men old while young in years. It is responsible for the 'too old at forty' problem on the one hand, and on the other for the anxiety of the rich to be provided with new sensations.

Competition is responsible for enormous waste of labour. Vast numbers of men and women are employed in consequence of competition. They do not produce wealth, but they have to be maintained, and the maintenance of this great army of non-producers puts additional labour on the productive workers, for which they gain no other advantage than more work for the subsistence wage. Commercial travellers offering similar goods at similar prices call by the dozen upon the same traders. Advertisement canvassers, printers, sign-painters, and others are employed in trying to convince the public that a certain article is superior to all others. Rents have to be paid for a hundred shops in a town in the same trade, and a hundred

establishment charges have to be met (the cost of which must be put on the prices), where one-tenth of the number of shops conveniently situated and properly organised would supply all needs. Competition has actually succeeded in creating a popular impression that it is a good thing to find work, without any regard to the fact as to whether it is useful or necessary. A paragraph appeared in the press in August, 1912, to the effect that the Labour Party on the Leicester Town Council were opposing the introduction of labour-dispensing machinery at the Municipal Gasworks in order to keep the men now employed at work. To such false economy as this does competition force men who know quite well the folly of it all. They know that if these men are displaced they will, very likely, be unable to get employment elsewhere. This fact proves that instead of competition being an aid to progress it is having the very opposite effect. It would be just as cheap for the Leicester Town Council to keep these men to do nothing as to keep them to do work which science has shown ought to be superseded by an iron man. But an enlightened community would not keep the displaced men in idleness. They would have industry so organised that the whole community would share in the benefit of labour-saving devices—the community in a

cheapened product and the workers in shorter hours of labour.

The claim that competition is the law of life cannot be supported by science; neither is it true to maintain that competition has been the main factor in human advancement. On the contrary, competition is the law of death, and progress has been brought about mainly by co-operation and mutual aid. During the far greater part of the time since man emerged from barbarism, society has been organised, not on a competitive, but upon a communistic, co-operative basis. The bed-rock of all progress since made was laid by our communistic ancestors. The foundation of every science and invention we know to-day was laid when our ancestors were living together as co-operators.[1] First steps are always most difficult. It is easier to go forward when others have shown the way. It was our communistic forefathers who invented language, founded religions, discovered the art of taming animals, invented the bow and arrow, the plough, the potter's wheel, the arts of spinning and weaving, and the science of navigation. Indeed, the mechanical devices of which we are so proud to-day —and which are claimed as the triumphs of the competitive system—are nothing but

[1] For an admirable statement on this point, see Hyndman's *Economics of Socialism*, Chapter I.

improvements upon the original discoveries of our communistic forefathers.

It was after the separation of the tribes, and under the institution of private property and competition, that progress lagged. It took thousands of years under competition to discover how to control steam. Contrast the civilisation to-day with the art, science, and literature of Greece two thousand years ago, to see how the institution of private property, maintained by competition, has advanced civilisation.

Competition has, it is true, stimulated invention and organisation. But it is quite probable that co-operation would have done that even better. In the last century progress has certainly been brought about more by co-operation than by competition. Competition has kept wages down; co-operation in trade unionism has helped them up. Competition has driven people into slums; co-operation, in building societies and co-operative societies, has assisted the workers who have taken advantage of such agencies. The trend of all social effort and of legislation has been in the direction of restricting competition. Just as in former ages the competition of brute force had to be restrained in the interest of the weak and in the interests of society, so in these later days the need for restraining commercial competition is recognised. Just

as men were once restrained by law from robbing others by superior physical force, now men are being increasingly restrained by law from robbing men by the 'lying tricks of trade.' Adulteration, two generations ago, was said by a great statesman to be a legitimate form of competition. It is now a penal offence, as is the offering of a monetary bribe to influence the placing of business. Though competition has been defended by the arguments already cited, the vigour with which it is now defended is greatly abated. Every business man admits its defects and wastefulness, and all the great business men to-day are engaged in eliminating competition, and in substituting for it mutual co-operation among themselves. Competition belongs to the lower development of life. As the type gets higher in intelligence and knowledge, co-operation gradually supersedes competition.

Socialism aims at the substitution of co-operation for competition as the principle upon which industry shall be organised and conducted. There is no need nowadays for men to compete against each other for the commodities of a physical existence. By the organisation of the resources and knowledge we now possess, every person can be assured of a reasonable sufficiency in return for a moderate amount of labour. The time has now come when competition must be carried

into another sphere, into a region where the treasures are boundless and eternal,—into the intellectual sphere, where the abundant possessions of one man do not cause the poverty of others. Socialists recognise that the instinct of competition, or of emulation, is natural and right; but like every other instinct it must be rightly applied to a right purpose. The distinction between Competition and Emulation has been very well expressed by Professor Oliver Lodge, the Principal of Birmingham University. He says :—

'Emulation is not competition. Emulation is wholesome and right as a stimulus. It is not the beef and pudding of life, but it may very well be considered the salt and mustard. Competition is the wrangling of savages round a table at which they might sit at peace and pass each other the victuals. It is the grabbing of the dishes as they are brought on by the waiters of Providence—the laws of nature; it is the filching from weaker neighbours of their portion, so that one is hungry and the other is drunken. Emulation is the aspiration of a soldier to lead a forlorn hope, the desire of a student to make a discovery, the ambition of a merchant to develop a new country or establish a new route. Competition is the snarling of dogs over the same bone. Emulation is the

desire to do a thing better than it has been done by others. Competition is the desire to do instead that which is equally well done by them.'

CHAPTER VII

THE TENDENCY OF MODERN INDUSTRY

THE most powerful proof of the evils of competition is supplied by the capitalist system itself. Every day the capitalists are supplying practical evidence that they realise the waste of competition, and that competition is not necessary as a stimulus to production. The Trust movement, which is engineered by the most successful and skilful of the capitalists, is an effort to eliminate competition from trade and to substitute monopoly. The two primary objects aimed at by the promoters of Trusts are to affect economies in production, and to increase competitive power thereby, until all competition has been eliminated. The Trust movement has assumed many forms, but whatever form it takes the object is to put an end to a competition which forces down prices to an unremunerative point. The first step which is taken to deprive the consumers of any advantage which might possibly come

to them from lower prices through competition is to form 'rings' of traders engaged in the same trade for the regulation of prices. A ring, or a cartel as it is sometimes called, does not involve the merging of businesses together. There is no amalgamation of capital, and no unified management. The firms within the ring agree that no firm shall sell below an agreed-upon price, and very often there is a further arrangement that the market shall be divided into areas, and particular areas shall be allotted as the monopoly of particular members of the ring. The ring is often so influential in its constitution as to constitute a virtual monopoly of the trade, and shopkeepers and consumers are at the mercy of this ring. There are limits to the prices that the ring can fix, and this remark applies to the prices fixed by Trusts. The prices must not be so high as to encourage competitors to enter the market because of the extremely high profits to be made. Unless the trade is one which is not exposed to foreign competition, or unless the home market is protected by tariffs, or unless there is an international ring for regulating prices or spheres of influence (which is the case in some trades) there is a limit to the power of the ring to put up prices, apart from the possibility of encouraging new home competition. The extent to which this practice of

forming rings for the fixing of prices has developed in Great Britain is little known by the general public, because these arrangements are usually made secretly. But the system is extraordinarily wide-spread, and few trades are now governed by free competition among those engaged in them. These rings are responsible to some extent for the increase in the prices of commodities which have been imposed in recent years.

The ring only eliminates competition in so far as competition in selling prices is concerned. The Trust goes beyond this, and by merging hitherto competing businesses together eliminates the waste of unnecessary establishment charges, and secures the great economies which are to be derived by increasing the unit of capital. The formation of Trusts is going rapidly forward because of the great economic advantages which they confer. In the United States in the ten years from 1899 to 1909 there were 305 Trusts formed.[1] Seven of these absorbed 1538 concerns, and the total capitalisation of these seven Trusts was £530,000,000. The remaining number of Trusts formed during this period absorbed 3426 businesses, and their total capitalisation was £810,000,000. The Trust movement has made far greater advance in the United Kingdom than is popularly supposed. British

[1] Moody's *Truth about the Trusts.*

Trusts now exist in the following, among other trades: salt and soda, alkali, sewing cotton, cotton spinning, cotton printing, dyeing, coal dealers, oil cake, wall paper, bleaching, cement, tobacco, bolts and rivets, banking, shipping, soap-making, railways, electric tramways and buses, matches, newspapers, insurance companies, whisky, woolcombing, and textile machinery. The Salt Union was an amalgamation of 64 concerns, the United Alkali of 51, the Fine Cotton Spinners of 31, the Bradford Dyers of 22, the Woolcombers of 38, the Calico Printers of 47, the Wall-paper Makers of 31, the Cotton and Wool Dyers of 46, the Bleachers of 53, the Cement Manufacturers of 30, the Imperial Tobacco Company of 13. These firms have a total capital of £65,000,000. There are fifty British Trusts which have in the aggregate a capital of over £250,000,000.

This movement is going forward without interruption. Every day the newspapers announce the formation of some new combination. To-day it is a 'bus company amalgamating with an electric railway, yesterday it was one of the three or four huge banking combinations which had absorbed two or three of the few remaining private banks, to-morrow it will be the amalgamation of insurance companies or shipping firms. This tendency to concentration is going on from the bottom of the commercial system upwards·

It is not confined to the productive side of industry. It is proceeding in the wholesale distributive trades and in the retail trades. It was recently pointed out[1] that in the wholesale and retail drapery trades there is a decided movement for the firms with relatively small capital to disappear, that the unit of capital in the trade is increasing in size, and that even large masses of capital are not standing against the still larger masses of capital. The retail trade in tea, provisions, boots, butter, tobacco, drugs, etc., is rapidly passing into the hands of the multiple shop firms, the huge departmental stores, and the co-operative movement, leaving the increasing number of small shopkeepers to struggle for a smaller amount of trade. The concentration of trade is going on lower down as well as in the higher regions. The number of joint stock companies registered in the United Kingdom in 1910 was 7184, the total nominal share capital being £212,975,000. The average number of such companies formed in the four years, 1901–4, was only 3500. So far as can be ascertained there were in the United Kingdom, in April, 1910, 51,787 joint stock companies carrying on business, and the total paid-up capital of these companies amounted to £2,178,619,734. In fifteen years the number of companies had

[1] *Economic Journal*, June, 1912. Article by A. G. Doubt.

risen from 21,223 with a total capital of £1,145,402,903.

This movement towards concentration is going forward because of the economic advantages of a large unit of capital. Among the advantages which the Trust has over a number of small competing concerns may be mentioned the following. It concentrates production at the works most conveniently situated and most efficiently equipped. When the combine is arranged, very often concerns are taken over it is not intended to work, but it is considered more economical to absorb them than to kill them by competition. When the American Whisky Trust was formed eighty distilleries were taken over. Eventually all but twelve were closed, and by working these to their full capacity the previous output of the whole was maintained. By this, the establishment charges, distribution expenses, and a considerable sum in salaries and wages were saved. The Trust can make great savings by the purchase of raw material in larger quantities, and in the cost of its transport. Very often the power of the Trust is so great that it can monopolise the sources of supply of raw material. The Trust can afford to adopt the latest and best machinery and every device for lessening the cost of production. It can command the services of the most efficient managers, and

can afford to purchase the monopoly rights of inventions which can be used in its business. The Trust can afford to spend large sums in seeking for improved methods of production. One great firm in the engineering trade is said to spend £100,000 a year in its experimental department. The Trust can effect great economies by the utilisation of waste-products. The Trust saves enormous sums which competition makes it necessary to expend. The expense of advertising is largely curtailed, travellers and agents are not needed to the same extent, and the number of clerks and managers required is much smaller. The Trust, where it has a monopoly, can fix prices at the figure the market is able to bear. The profits of the sound and well-organised Trust are often enormous. The Sewing Cotton Trust makes an average profit of £3,500,000 on a capital of £10,000,000, and the United States Steel Trust made a profit in 1906 of £31,500,000, and the total wages bill of the Trust for that year was £29,700,000.

From the point of view of the interests of the consumers and the workers the Trust has many serious disadvantages. Under a Trust the control of production passes into the hands of a group of financiers who can regulate production and prices, and who have no other motive than the making of the maximum amount of profit. The retail trader becomes

merely the agent of the manufacturer, and is obliged to sell the goods on the terms fixed by the Trust. He often must enter into an undertaking not to stock the goods of any other firms, and the Trust, having this monopoly, cuts the retailer's profits to the finest point. The disadvantages which Trusts are to the workers are fairly obvious. The great economic advantages of the Trust go in increased profits, not to the consumers or to the work-people. A reduction in the volume of employment always follows the concentration of capital. A witness before the United States Industrial Commission stated that 35,000 salesmen had been thrown out of employment by the formation of Trusts, and 25,000 had had their salaries reduced by one-third. Political economists have defended competition on the ground that it gave the workers the power to set employers against each other competing for workmen. But with the Trust that cannot be the case. The workmen in a trade controlled by a Trust have but one employer, and their power to gain concessions is thereby greatly lessened. If a Trust is so disposed it can act towards labour in the most despotic manner, and labour has little power of resistance. If the Trust has any difficulty with its work-people at one of its works all it does is to close that concern and

concentrate the business at some other of its establishments. There is nowhere else in the trade the workers can find employment.

The Trust, as has been said, can exercise a tyrannical influence upon the producers of the raw material of its industry. A very sensational incident of this sort, which however failed in its object owing to the combination of growers, happened in 1908 in connection with the powerful American Tobacco Trust. The original American Tobacco Trust was organised in 1890 with a capital of £5,000,000. It was at first a combination of manufacturers of cigarettes. This Trust soon absorbed the outstanding firms, and it became dominant in that particular field. In 1891 this Trust controlled 89 per cent. of the American trade in cigarettes. It then launched into the other branches of the tobacco trade, and by 1902 it was controlling 70 per cent. of the trade in all other kinds of tobacco. This American Trust then came to England, and organised the Imperial Tobacco Company. It was arranged that the English manufacturers should be left free to exploit the British market. A few British firms remained outside this Trust, but they soon found that it was necessary to combine in larger units—the preliminary to amalgamation with the Trust. The British Trust is

now doing 75 per cent. of the trade of the United Kingdom.

The immense business of the American Tobacco Trust gave it the control of the market for the raw material. After it had conquered the world of manufacture, it turned its attention to dominating the tobacco fields. It put its agents in each of the tobacco-growing areas, and announced that it would deal directly with the farmers. The depression in the price paid to the farmers went on until it became ruinous. Then there came to pass the most remarkable and successful incident of combination against a great Trust which has ever happened. The growers combined, and the majority entered into a solemn compact to stand together and fight the Trust. The fight continued for nearly two years, when the power of the Trust was broken. Seventy million pounds of tobacco which had been held by the growers for nearly two years was bought by the Trust at the growers' price. The growers in this instance had an advantage which the producers of raw material do not always possess. The area was concentrated, and it was possible for the growers to organise. In this case the organisation of the growers was only brought about by the most extreme forms of compulsion upon hesitating farmers. But this success on the part of the Growers'

Trust has not been an unmixed loss to the American Tobacco Company. On the contrary, the rise in the price of tobacco which has followed has been ruinous to the outside firms in America and England, who were not able to make as good terms with the Growers' Trust as the American and British Trusts could make. This Tobacco Growers' Combine is said to be the first instance of a successful combination in agriculture.

The movement towards the concentration of capital in Trusts shows no sign of slackening. It is not likely to do. Every Trust formed makes the struggle for those outside more difficult, and they are compelled to choose between the alternatives of destruction or merging their businesses into a similar form. The tyranny of the Trusts in the United States has become so unbearable that the question of how to deal with them is the most pressing and absorbing matter in American politics. The policy of trying to prevent their formation has failed, as such efforts will always fail. It is no more possible to prevent the formation of the Trust than it was possible for the Luddites to succeed in preventing the adoption of machinery by the drawing of boiler plugs. The Trust is a great step forward in economic advance. Like every advance it brings its disadvantages when the benefits are used for individual

profit and not for the general good. But the Trust, like competition, is doing a necessary work. Competition has served the purpose of weeding out the incompetent and ill-equipped capitalists. The Trust is concentrating industry, and is evolving Capitalism to that stage where the public ownership and control of the great industries will be possible. Competition—the Trust—and then Socialism.

CHAPTER VIII

THE ECONOMIC CASE FOR SOCIALISM

So far as it is possible to express the aim of present-day Socialism in a formula that has been done by Dr Schaffle in a statement which will be accepted by all Socialists as a reasonable definition of their aims.[1] He says: 'The economic quintessence of the Socialistic programme, the real aim of the international movement is as follows:—To replace the system of private capital (*i.e.* the speculative method of production, regulated on behalf of society only by the free competition of private enterprises) by a system of collective capital, that is, by a method of production which

[1] *Quintessence of Socialism*, Chapter I.

would introduce a unified (social or collective) organisation of national labour, on the basis of collective or common ownership of the means of production by all the members of the society. This collective method of production would remove the present competitive system, by placing under official administration such departments of production as can be managed collectively (socially or co-opertively), as well as the distribution among all of the common produce of all, according to the amount and social utility of the productive labour of each.'

The word capital is used here, as it is always used by Socialists, to include land as well as the instruments of production and the floating capital necessary for carrying on the work of production. Marx used the word 'capital' in a sense which has led to a good deal of popular misunderstanding. By 'capital' he meant not the thing itself but the system of private capital, and when he spoke of the abolition of capital he meant the abolition of the capitalistic system not the abolition of the wealth which is used as capital. From this peculiar use of the word arose the impression that Socialists wanted to abolish capital, as the word is popularly used and understood—a foolish notion which no Socialist ever entertained. Socialism does not seek to abolish capital or wealth, but to

preserve it, increase it, and concentrate it for greater social utility.

The aim of the Socialist movement then is to make land, and such industrial capital as can be managed collectively, collective property, and to abolish the competitive (or the speculative) method of production. To the private ownership of land and industrial capital Socialists attribute the evils and inequalities of our industrial and social conditions.

The system of private landownership is condemned on the grounds that it is economically, socially, and morally indefensible and injurious. The system of private landownership, as has been shown in a previous chapter, is an institution of comparatively recent development in this country. The present system of land tenure, as distinct from land ownership, originated with the Norman Conquest, though it has passed through many stages of modification in the intervening years. There was not, in former times, and there is not in theory to-day, any such thing as an absolute private title to the ownership of land. The land at the Conquest was granted to the lords on certain conditions, among which was that military and other service should be rendered to the Crown in proportion to the extent of the estates. It is important to note, too, that the estates

could not be sold, and that in the case of a holder dying without heirs the estate reverted to the Crown. With the increasing political power of the barons, and the extravagances of kings, the system underwent frequent modification, and always in the direction of giving the holders a firmer grip upon the land, and depriving the people of rights and privileges previously existing. With the downfall of the feudal system the landholder's title passed from a feudal to what was practically an absolute title, and all the former obligations of public service were abolished, and a system of land ownership was established which practically recognises no public rights in the land, and exacts no social duties from the landowning class. When the ownership of land became a means of profit the practice of enclosing common land was begun, so that by-and-by we reached a state of things where the vast mass of the population had no right to a foothold in the land in which they were born, unless they could find some landowner willing for a consideration to permit them to use his land. The enclosure of the commons was carried out during the eighteenth and first half of the nineteenth centuries at such a rate as to add one-third to the number of acres previously enclosed. Lawrence's *New System of Agriculture*, published in 1726, states that 'it is believed that one-half part

of the kingdom are commons, and a third of all the kingdom is what we call common fields.' In 1879 only 264,000 acres were common out of 32,597,398 acres. These commons were enclosed usually under the powers of an Enclosure Act. Before the General Enclosures Act of 1801, some 2000 of such Acts had been passed. It was not difficult to secure the passing of these measures in a House of Commons, a majority of which was elected by 150 landowners.

Though for all practical purposes land is now absolutely the private property of the freeholder, in theory the old relationship between the Crown and the landowner still survives. All legal authorities agree that such is the case. Sir Frederick Pollock, in *English Land Laws*, says :—

'It is commonly supposed that land belongs to its owner in the same sense as money or his watch; this is not the theory in English law since the Norman Conquest, nor has it been so in its full significance at any time. No absolute ownership of land is recognised by our law books, except in the Crown. All lands are supposed to be held immediately or mediately of the Crown, though no rent or services may be payable and no grant from the Crown on record.'

The idea that land was not a fit commodity for private ownership, which was at the back

of this system of vesting the ownership in the king as the head of the nation, and attaching to it certain social obligations, shows that in those remote days there was a truer appreciation of the natural relations which land holds to individuals and communities than generally obtains in these later times. The private ownership of land enables the owner to appropriate the economic rent of land in return for permission to use it. Land is essential to human existence. When one man has what others need but have not, the possessor can dictate his terms for the use. The payment for the use of land is called rent, and the rent of a piece of land is the excess of its produce over the produce of an adjacent piece of land which is cultivated with an equal amount of capital, and the same amount of industry, and which would not be cultivated at all if rent had to be paid for it. The rent of land, as distinguished from the interest upon capital which may have been expended in the improvement of the land, is not the creation of individual labour. It arises from the natural superiority of one site over another either for the purpose of agriculture, or as a site for a house or business premises, or other purpose. If a man by the cultivation of fifty acres of land could obtain a return which would only just provide the means of a bare subsistence he could obviously

pay no rent. If a rent were demanded the land would not be cultivated. But if owing to the superior properties of the soil, or owing to the proximity of a profitable market for the produce, another fifty acres return twice or more the volume of the produce in the first case, the difference is economic rent, and this the landowner takes, leaving the position of the two cultivators the same. That this is approximately and generally the case is agreed by all economists. Socialists have not invented the theory of economic rent. That was first propounded by the individualist economists. Socialists accept that theory of the nature of rent, and upon that they build up the case against the private appropriation of it.

The working of the law of economic rent is more clearly seen in the case of the value of urban sites. These values are entirely social in their origin. The value is given by the presence of the community. As the community increases in population in any locality the value of the land rises, because of the greater competition for it. But the density of the population is not the only, indeed probably not the main, factor which gives the value to urban sites. There might be a dense population with little wealth-producing power. In such a case the rent would not be great. But there might be a less densely

populated area, where the population was highly developed industrially, with great wealth-producing powers. In such a case the land values would be high. The rent of land is determined largely by the means of the people who desire it. The landowner, having what these people want, is able to take advantage of their ability to pay, and in this he is assisted by the competition of these people for this limited commodity. The landowner benefits by every development of industry which increases wealth production. He himself does nothing to assist that increase. As Professor Thorold Rogers puts it, 'the landlord benefits by every public improvement, by all expenditure of public money; he sleeps but grows fat.'

The system of private land monopoly is condemned on social grounds. It is responsible for overcrowding, for slums, for the diseases and vice and drunkenness which are associated with such housing; it produces pauperism; it reduces the remuneration of labour; it imposes heavy burdens upon industry; it often prevents the development of a locality by imposing impossible conditions of land tenure; it has brought about the decline of British agriculture; it has driven a million labourers from the soil in sixty years, sending them into the towns to compete for unskilled labour, or across the ocean

to seek a land more free. These statements do not require to be supported by definite facts and figures. Shelves of Government Reports and other official documents supply unlimited evidence.

The institution of private landownership is condemned also on the grounds of its social immorality. Without access to land men cannot be free, and when one man has the power to deny or permit another to apply his labour to land all the essential conditions of slavery exist. Landlordism gives the landowners the power to dictate where a person shall live, and under what conditions he shall live. In Ireland and in Scotland whole districts have been depopulated at the whim of a landowner. There is no attack in this upon individual landlords. No system is stronger than its weakest link. The system of landlordism must be judged, not by the best landlords, but by the power which the system vests in a landlord. It is not individuals but the system which makes these things possible which are attacked. Religious and political freedom is not possible where landlords hold men's destinies in their hands. It is no answer to reply that the landless man need not accept the conditions a landlord may seek to impose. No individual is absolutely in the power of a particular landowner it is true. He may, if he is willing to leave the

home of his childhood and to make other sacrifices, escape from the tyranny of a particular landowner. But the landless man cannot escape from landlordism. He may exchange one lord for another; that is the extent of his freedom under landlordism.

There are those who subscribe to the truth of all the charges made in this indictment of landlordism, who do not accept the argument that every charge which has been made against landlordism as a system can be urged with equal truth against Capitalism. Land, it is urged by these people, is different from any other form of wealth. It is not the creation of labour; it is immovable; it is limited in amount; it cannot be increased in area; it receives an unearned increment which does not in a similar way accrue to capital. There is an apparent plausibility in these contentions, but an examination of the nature of capital and of the relations between land and capital in the joint work of production shows the contentions to be without real foundation. In the first place, land has no value unless there is an economic rent to be obtained from it. This economic rent, as we have seen, is a social product. It should therefore in justice be the property of the community. If therefore land is not the creation of labour, the rent of land is, and the profit and interest on capital is the product of labour.

Therefore there is this similarity between land and capital, that both are used to extract wealth without labour. The land nationalisers (that is those who would nationalise land but not capital) claim that economic rent should be public property, and they wisely advocate that the best way to accomplish that is to acquire the means by which the rent is appropriated. But capital, too, exacts its economic rent, its unearned income, and if the best way to appropriate the rent of land is to nationalise the source, so it follows with unimpeachable logic that the best way to appropriate the unearned incomes from capital is to nationalise the source.

The distinction between land and capital is not always easy to draw. A railway, for instance, is capital. But much of the railway capital is land. When land is used for business purposes it becomes industrial capital, just as much as the machinery or the raw material. Moreover, the ease with which a person can transfer his investment from land to capital and from capital to land, makes a further difficulty in distinguishing between the two in an economic sense. According to the philosophy of a school of Anarchists who advocate the appropriation of all economic rent by taxation, but who would leave the present landowners in nominal possession of the land, it is right to tax an income from land

20s. in the pound, but wrong to tax the profits of trade. If a man has an income of £1000 a year from land he must be taxed £1000 a year. The man who has a thousand a year from shares in an industrial concern must be exempt from taxation. The man who invests money obtained from land value increment in a business must be exempt from all taxation. But the man who invests money made from business in land must be taxed 20s. in the pound. This is one of the many illogical positions into which men are led when they try to make a fundamental distinction between land and capital as means of social exploitation and as commodities for private property.

The Socialist maintains that there is no real difference between land and capital of a fundamental character. Economically, socially, and morally, landlordism and capitalism have the same effects. It is true that this was not always so. It is the change in the methods of production brought about by the Industrial Revolution which have made the workers just as much dependent upon capital as they previously were upon land. Before the advent of the factory system the worker only needed access to land. If he could secure that he could manage the rest for himself. He could, by very little effort, save enough to supply himself with all the tools of his craft, and

equip himself to supply his own needs and to have a surplus for exchange in the local market. But the factory system changed all that. As has been pointed out in the chapter on the Industrial Revolution, among the changes wrought by that event were the divorcement of the worker from the ownership of the tools of his trade and the making of him dependent for employment upon a capitalist owning expensive machinery and a control of a wide market.

In the old days the workman was capitalist and workman combined. There are survivals of this era with us to-day, as for instance the village shoemaker, though he and all other survivals are fast disappearing before the competition of the machine-made article. The former village shoemaker, the hand-weaver, the carrier are represented to-day by the shoe-factory hand who performs one-fiftieth part of the operation of making a boot; by the power-loom weaver minding six looms, which are driven by steam which supplies the power for a huge factory; and by the railway servant who is one of a hundred thousand employed by the one unit of capital. The unit of capital required for economical production is now so large that not one person in hundreds or thousands can possess it. The workers without capital are therefore driven to beg for employment from the capitalists, and the

capitalist is thus placed in precisely the same position as the landowner. He can let men work, or he can deny them work. If the workman cannot get some capitalist to employ him he must starve, and does. The capitalist having this power over the workman uses it to extract economic rent, which is called profit. He lets the workman use his machinery or his capital if he can see a way of making a profit from his labour. Like the landlord, who takes in the form of rent all above the subsistence of the labourer, so the capitalist takes all above the subsistence of the workman, above sufficient to maintain the workman in the standard of life of the class to which he belongs.

Just as the landlord gets an unearned increment from the increase in the value of land, so the capitalist gets an unearned increment from improvements in productive methods, and in other ways not the result of his own efforts or ability. The wages of the workmen are not governed by the value of the articles they produce. Mechanical improvements which increase the output do not benefit the workman by increased wages. New processes are always being adopted in every industry, which increase the output per workman or in some way reduce the cost of production, but the wages of the workman do not advance. As an instance of this we

may take the figures of the cotton trade of the United Kingdom. The amount of raw cotton used per person employed in the trade was as follows: in 1881, number of pounds, 2508; in 1895, 2883 pounds; in 1904, 3250 pounds. In 1881 the weavers' wages were 10 per cent. below the rates of 1876, in 1895 they were the same, in 1904 they were $7\frac{1}{2}$ per cent. below the rates of 1876, although between 1881 and 1904 there had been an increase in the amount of raw cotton worked of 30 per cent. per head. The figures of every machine industry show similar results.

There is no need to produce many figures to show the enormous increase in the productivity of labour. Such facts are matters of common knowledge. A few instances may be cited. In an address delivered in Boston, Mass., Prof. Frank Parsons said: 'A sewing machine will do the work of 12 to 15 women. A M'Kay machine enables one workman to sole 300 to 600 pairs of shoes a day, while he could handle but five or six pairs by former methods. A good locomotive will pull as much as could 800 horses or 8000 men. Four men with the aid of machinery can plant, raise, harvest, mill, and carry to market wheat enough to supply 1000 persons with bread for a year. A girl in a cotton mill can turn out calico enough in a year to clothe

12,000 persons, more or less depending somewhat on the size of the persons and the number of changes of cotton they have. The total machine power of the United States is equal to every human worker having on an average twenty willing slaves.' In England the rise in the productiveness of machinery between 1850 and 1885 is roughly estimated at 40 per cent., though in these years there was no great revolution in methods, nothing but gradual improvements in machinery.

The 13th Annual Labour Report of the United States Labour Bureau presents in detail the results of an investigation by the Government Commissioner into the question of labour-saving devices, showing the difference in time required to produce a certain number of articles by the hand process and by machinery. A few instances from this valuable volume may be given. By hand it took 118 hours to make a landslide plough, by machinery it can be made in 3. By hand it took 200 hours to make 50 pitchforks, by machinery they can be made in 12 hours. By hand a dozen medium sateen corsets with 17 eyelets in the back could be made in 210 hours, by machinery they are made in 18 hours. Machinery has lessened the time required to turn out a newspaper 216 times. The workers to-day produce 40 ploughs in the same time one was formerly made.

Assuming that the wages of the men employed to-day are double the wages formerly paid for making ploughs, the problem will work out as follows. The hand-worker received say 6d. an hour for 118 hours, total wages paid for making the plough, 59s. The workman who makes ploughs by machinery is paid 1s. an hour, and he makes a plough in three hours, total wages, 3s. After making allowance for a decrease in the price of machine-made goods, there remains an enormous gain for the capitalists from this increase of output, a gain which is in no measure due to the effort or ingenuity of the individual capitalist, who has not invented the machine, but buys it with the profits from the underpaid labour he employs.

All that a landlord or a capitalist takes is not necessarily unearned. Many landlords and many capitalists act as the directors of agriculture or commerce, and in so far as this work is useful the remuneration they take is not rent or profit, but salary. But the wealth of these two classes is not derived from the remuneration they take at the market value of their services, but from the economic rent and the monopoly profits of capital.

Like landlordism, capitalism cannot be defended as a system which is socially desirable. The system places the workmen virtually

at the mercy of the employing class. A workman cannot feed his family unless he can get a master to allow him to work. This places the workman in the power of the employer, who is in a position to dictate his own terms. Under such a system the workman is never assured of a day's work. He has to depend for a livelihood not only upon the willingness of an employer to give him work, but upon the employer's ability to provide work. The workman, though he has no part or lot in the management of the business, has to share the consequences of the employer's misfortune or incapacity. The system places the community at the mercy of rings and combines and other devices by which capitalists seek to increase their profits by the exploitation of the public. The system is anarchical. Because of the conflict of interest between the employers and the workmen, strikes and lockouts are frequent, the dislocation of trade is brought about, and enormous suffering and loss are inflicted, not only upon the people directly concerned, but upon those who have no direct concern in the dispute.

The capitalist system is indefensible on moral grounds. It injures those who conduct its operations and those who are brought within the influence of these operations. The system of capitalism is immoral because

it places one man in another man's power to be used as a means to one's selfish ends. The private ownership of industrial capital is morally wrong because it is not in harmony with the essential conditions of a healthy social life. Unhealthy industrial and social conditions spring from the want of harmony and co-operation between things which are essentially and vitally connected. Just as there must be co-operation between all the parts of the human body if physical health is to be enjoyed, so there must be co-operation between all the different parts of the industrial system. It is to the lack of co-operation in certain parts of the industrial system that Socialists attribute the evils and inequalities which exist in society.

The Industrial Revolution made co-operation the method of wealth production. In the old days there was harmony between the different parts of the rude industrial system. The workman combined in himself owner and worker of his tools. There was no conflict of interest between owner and worker. They were not two classes, each struggling to get as much as possible of the product of the co-operative production. Now there is in industry the most elaborate co-operation in the work of production inside the factory. The organisation of the factory is such as to secure that all processes and all the different grades

of workers dovetail and co-operate. The co-operation in production is not limited to the inside of the workshop. All trades co-operate with each other. The finished article is now the product not of the individual workman, not even of the one workshop, not even of the one trade. A cloth manufacturer will say that he has made a particular piece of cloth in his factory. But what has been his actual contribution, or the contribution of any one person to the production of that finished cloth? Very little indeed. Hundreds of different classes and grades of labour in all parts of the world have contributed to the production of that simple article. Before the cloth could be woven it was necessary to build a mill. For that purpose the services of an architect or surveyor would be requisitioned, who with instruments made by others would survey the site. On paper made by others the plans would be drawn, with pencils made by others. The help of the newspaper press would be asked to advertise for tenders to erect the mill. The local stone quarries might supply the stone, and the axe of the Swedish peasant would have felled the timber, which would have been brought to this country by the co-operation of steamship, railway, and carrier. Plumbers, painters, glaziers, bricklayers, joiners, slaters, all contribute their essential labour, and each trade

is assisted by innumerable others, without which it would be helpless. When the building is completed it is fitted with machinery which has been made by the joint labour of miners, smelters, founders, engineers. When all is ready the work so far done is useless unless the miner goes down into the bowels of the earth to bring forth coal for steam, and unless the railways co-operate to bring the coal to the mill. When the machinery has begun to move there is still the need for co-operation in the various processes of production. If it be a cotton factory the raw material must be provided by the co-operation of the planters and others in the Southern States. Co-operation is needed to bring that cotton thousands of miles across the sea. Inside the factory it passes through many, many hands, each bringing the process nearer the end, until it finally emerges from the loom a finished piece of cloth, and many, many more contribute their essential labour until that cloth clothes the swarthy limbs of a South Sea islander, who in return sends the products of his native land. So it is in all trades. This is something of what is meant by the statement that production is now a co-operative function. Production is not now an individual operation for individual use, but a social function for social use. It is this co-operative or collective method of production which has

destroyed the logic of the individual ownership of the instruments of production. No individual can now claim the finished article as the production of his own labour. In fact, the individual opportunity to labour now depends not upon one's own needs but upon the needs and demands of others. Though no individual can claim the finished article as his production, the system of private ownership of the instruments of production enables the owners of these instruments to claim the finished product as their own property. The system of production is now co-operative, and must be so if the great advantages of machinery and production upon an extensive scale are to be secured, but the ownership of the means of production is individual, and competition, not co-operation, governs the distribution of the wealth produced. So long as that antagonism exists, so long as there are opposing principles at work in the industrial system, the existing evils will survive. Socialism aims at reconciling the production of wealth and the ownership of the means by which it is produced. As the work of production is co-operative, so must the ownership of the means be co-operative. That is the aim of Socialism.

The capitalist system is condemned, too, because it produces what John Stuart Mill called 'the great social evil of a non-labouring

class.' It enables a rich class to buy the services of labour for employment, which is neither good for those who do it nor for those who take the services. It breeds a parasitic class which develops a false idea of what its own interests really are. It takes large numbers away from productive work and puts them into the livery of personal servitude. Where the wealth appropriated by the monopolists is not used to secure luxuries, it is used to obtain for a special class education and culture and reasonable enjoyment which the working-class are denied. The idea that the expenditure of the rich is socially beneficial is an illusion. Professor Cairnes, who certainly was no Socialist, puts this point in a very striking way. He says :—

'That useful function which some profound writers fancy they discover in the abundant expenditure of the rich turns out to be sheer illusion. Political economy furnishes no such palliation of unmitigated selfishness. I would not breathe a word against the sacredness of contracts. But I think it is important, on moral no less than on economic grounds, to insist upon this, that no public benefit of any kind arises from the existence of an idle rich class. The wealth accumulated by their ancestors and others on their behalf, where it is employed as capital no doubt helps to sustain industry; but what they consume in

luxury and idleness is not capital, and helps to sustain nothing but their own unprofitable lives.'[1]

On all these grounds, economic, social, and moral, Socialism condemns the institutions of landlordism and capitalism.

CHAPTER IX

REVOLUTIONARY AND EVOLUTIONARY SOCIALISM

We are now in a position to consider the practical aims of present-day Socialist movement. There has always been a Social Movement, and the Socialism of the present generation is the age-long effort to be free, adapting itself to the special circumstances and needs of the present. Principles are eternal, but the form in which a principle can be best applied is always changing. Socialism is not an abstract thing, nor is it a scheme to establish a form of industrial and social organisation which once established shall be suitable for all time without alteration. Socialism is not tied fast to any set of formulas. It derives its force from the actual facts of industrial and social life. Just as these change by

[1] *Some Leading Principles of Political Economy*, p. 32.

external influences, sometimes in a way which could not have been foreseen, so will forms of social and industrial organisation have to be changed. The aim of present-day Socialism has been well expressed by John Stuart Mill, who wrote: 'The Social Problem of the future we considered to be how to unite the greatest individual liberty of action with a common ownership in the raw material of the globe, and an equal participation of all in the blessings which come from combined labour.'

Socialism is the economic side of a far vaster movement. In politics this movement is Democracy; in religion and ethics it is the desire for social service. There is no hard division between these phases of the Social Movement. The Socialist movement aims at realising itself through a political democracy, and in the economic changes it seeks to make it expects to derive invaluable help from the ethical and religious movements which see so much that is opposed to their principles in our industry and social life. When there are so many sympathetic movements aiming approximately at the same end, but approaching it from different points and with different outlooks, it is quite to be expected that there will be many different policies and many different ideas as to the precise form the new organisation should take. All the different bodies interested in the Social Movement

have one thing in common. They are all agreed upon the fundamental reform which has to be made in industrial and social organisation. They all agree that the Social Problem of the present is as stated in the words of John Stuart Mill just quoted. Revolutionary Socialists, Evolutionary Socialists, Christian Socialists, Communists, Anarchists, Collectivists, Syndicalists, and Radicals are all in perfect agreement that the Social Problem is how to unite the greatest individual liberty with common ownership of the essentials to production and an equal participation in the blessings of combined labour.

Though there is agreement among all these sections of the Social Movement as to causes, there are differences on policy, and upon the form of social organisation which will provide the greatest individual liberty, which are in some cases fundamental. These differences nearly all centre around the question of political action and the place which the State should hold in the reorganised Order. Revolutionary Socialists, Evolutionary Socialists, Radicals, and Collectivists all seek to bring about the desired changes by the democratic use of political power, and they aim at organising the new society through the State —though the State may be for special purposes an international, national, or local

authority. The Anarchists and Syndicalists, on the other hand, are non-political, and aim at the industrial organisation of the workers on voluntary lines, and look to a future condition of things where the workers will form industrial communities organised on voluntary lines.

The distinction between the Revolutionary Socialist and Evolutionary Socialist is more in name than in reality. The title of Revolutionary Socialist is assumed by many young men because it seems to denote a very robust and energetic type of the article. The phrase is a survival of the early days of the Socialist movement, when it was believed that the day was rapidly coming when the forces of a united proletariat would face those of the bourgeoisie at the barricades, and the outcome of the sanguinary conflict would be the overthrow of capitalism and the triumph of the workers. This phrase, Revolutionary Socialism, has survived long after it has ceased to have any real significance, for nowadays not even the loudest voiced Revolutionary Socialist expects that the Social Revolution will be achieved in any other way than by the gradual acquisition of political power by the democracy and the gradual transformation of the capitalist system into a co-operative commonwealth.

The attempts of those who still cling to the

use of this phrase to explain its meaning and its present appropriateness are never successful in doing anything more than to show how misleading the phrase is as expressing the policy of any Socialist organisation now existing. Marx defined the Social Revolution as 'that more or less rapid transformation of the vast juridical and political superstructure of society which results from the transformation of its economic foundations.' If we accept this as a definition of the Social Revolution, then the Social Revolution is a series of evolutionary changes which ultimately bring about a complete change in the political organisation of society. According to this it is the accomplished change which constitutes the Revolution, not the method by which the change is brought about. But in this definition Marx assumes that the transformation will be brought about by a series of evolutions; and as the aim of Socialism is to accomplish the Social Revolution (that is, the complete change in the political superstructure of society), all Socialists who help the evolutionary processes which culminate in the Revolution are Revolutionary and Evolutionary Socialists at the same time.

Karl Kautsky is the ablest of the German Marxian Socialists, and he says that every one is a Revolutionary Socialist—that is one who is aiming at the Social Revolution—whose

aim is that a hitherto oppressed class shall conquer the power of the State. This seems a very unsatisfactory definition of the Social Revolution. The conquest of political power by a new class is not the Social Revolution. The Social Revolution is the conquest of economic power by a hitherto subject class. It is possible for political power to pass into the hands of a new class, but no Social Revolution to follow. We have seen that in this country. In 1867 and in 1884 there was a political revolution which transferred the political superstructure of society to a new class—the proletariat. But no Social Revolution has followed. The political power of the new electorate instead of accomplishing a Social Revolution has from certain points of view made the economic position of the capitalist class more secure than before.

The Social Revolution is elsewhere by the same writer explained in a different sense. Instead of being merely the seizing of political power by the workers, it is the birth of a new life. His efforts here to draw a distinction between evolution and revolution are no more successful. 'Revolutions in society,' he writes, 'are the result of slow developments (evolutions). Here also it is the social organs which develop slowly. What may alter suddenly, at a blow, are their functions.' According to this definition of the Revolution it is the birth

of the new form which is the act of Revolution. One need not quarrel with any of these definitions and terms. Words matter little; it is the policy they express which is all important.

The description of oneself as a 'Revolutionary Socialist' is, therefore, nothing more than an emphasis of 'Socialist,' because every Socialist is aiming at a revolutionary change in the functions of the State and organisation of industry. It is clear that the most revolutionary Socialists look to the preparation of the new society by a long series of developments going on in existing society. Socialists do not propose to sit with their arms folded waiting passively for the forces of nature to prepare the new order and to bring it to life when the fullness of time has come. Every Socialist party in the world is taking an active part in the political life of its country, and trying to bring about reforms which, cumulatively, will establish the Social Revolution. The idea of a catastrophic revolution has been abandoned by all Socialists, but as Mr Bernard Shaw says :[1] 'The Socialists need not be ashamed of beginning as they did by proposing the militant organisation of the working-classes and general insurrection. The proposal proved impracticable. But if we feel glad of that impossibility; if we believe that the change is to be slow enough

[1] *Fabian Essays*, page 201.

to avert any personal risk to ourselves; if we feel anything less than acute disappointment and bitter humiliation at the discovery that there is between us and the promised land a wilderness in which many must perish miserably of want and despair: then I submit to you that our institutions have corrupted us to the most dastardly degree of selfishness.' Karl Kautsky writes: 'We have no reason to assume that armed insurrection with barricades and similar warlike incidents will nowadays play a decisive part in the Social Revolution.'

The Social Revolution as defined in the official Election Address of the German Social Democratic Party is the revolution in men's heads. After outlining a programme of practical reforms (of evolutionary developments of the new society), this Manifesto proceeds: 'We know that everything which we can attain to-day is mere patchwork compared to what ought to be attained. We know that a fundamental reform requires a thorough revolution of our economic and social conditions, that complete human freedom and equality in the State and in society, complete participation in the fruits of civilisation for even the least among us, can only be attained by the steadfast will and clear intelligence of the great majority of the nation. But we know, too, that the conditions which prevail

to-day are bringing to pass the revolution in men's heads; that is, are creating the intelligence and the will to transform society on Socialist lines.'

All Socialists are now agreed that the economic changes which are aimed at must be brought about by political action. Mr Sidney Webb says that there can be no doubt that the progress towards Socialism will be (1) Democratic—that is, prepared for in the minds of the people and accepted by them; (2) Gradual—causing no dislocation of industry however rapid the progress may be; (3) Moral—that is, not regarded by the sense of the community as being immoral; (4) Constitutional—that is, by legal enactment sanctioned by a democratic Parliament.

Socialism thus sets before the democracy a definite object for its political power. The principle of Socialism is democracy to be applied all round. It seeks the rule of the people in political affairs and in economic affairs. It is not a system for imposing upon society a cut and dried system which has been designed by theorists or demagogues, and which they desire to impose upon the people. The details of Socialism will be worked out by the conflict of contending opinions. Socialists no more agree or ever will agree upon details of policy and of practice than members of other political parties do. There

will always be, it is hoped, plenty of diversity of opinion among Socialists, for it is only by the conflict of differing opinions that the most promising policy can be evolved; and it is only by practical tests that a policy or a proposal can be proved.

CHAPTER X

ON THE ROAD TO SOCIALISM

Socialists, as we have seen, look to the attainment of the Co-operative Commonwealth by the further development of forces which are now operating in society. Mr Arthur Balfour has said : [1] 'Socialism has one meaning only. Socialism means, and can mean nothing else, than that the community or the State is to take all the means of production into its own hands, that private enterprise and private property are to come to an end, and all that private enterprise and private property carry with them. That is Socialism, and nothing else is Socialism.' That definition of Socialism, though it is quite obviously meant to be fair and honest—and in that respect is a welcome contrast to much of the political criticism of Socialism—is not an accurate and precise statement of the aims of present-day Socialism.

[1] Birmingham, Nov. 14, 1907.

Socialism not only can mean, but does mean something else than that the community is to take into its own hands *all* the means of production and that private property and private enterprise are to come to an end. Socialism only proposes to make such of the means of production into public property as can be conveniently and advantageously owned and controlled by the community.[1] It is true that by the development of the Trust the industries which will come within that category will increase in number, and it is extremely likely that all great industries will eventually assume that form. In addition to such enterprises as these, which because of the monopoly form thay have assumed are suitable for public control, it will be found that the community can conveniently carry on many smaller productive enterprises and distributive functions. But if private enterprise can carry on any productive works, or conduct any public service better than the cummunity can do it, a Socialist State might certainly be trusted to encourage that form of enterprise which would bring the best results to the community. It is certain, too, that within the Socialist State there will be ample opportunity for voluntary association, and the 'State within the State' will have every opportunity to flourish. Such

[1] See *Shaffle's Definitions*, Chapter VIII.

competition will be healthy and useful, because it will be carried on under conditions which will prevent the degradation and ruin of those who engage in it.

But whatever private production or voluntary enterprise does exist in the Socialist State will not be private capitalism. Capitalism means capital employed for the purpose of appropriating profit or surplus value. There can be no Socialist State in which the exploitation of labour for the profit of others is allowed. There can be no Socialist State where economic rent is appropriated by monopolists. The reason why Socialists aim at the ownership and control of land and capital is because, generally speaking, that is the only way in which rent, interest, and profit can be secured for the community, and also because, generally speaking, the community can work a concern or public service more economically and efficiently than private enterprise can do it. But the aim of Socialism being to secure for the community the surplus value which now goes to the landlords and capitalists as rent and interest and profit, it follows that the appropriation of this surplus value by any other means, if that could be done, than by the common ownership of the means of production would achieve the Socialist aim. But no other means can effectually and completely accomplish the aim. Taxation is a weapon which if

used vigorously could do much in the direction of securing the surplus value for the community, and this is a means which will no doubt be used to an ever-increasing degree during the further transition stages to Socialism. But to use taxation for the purpose of taking back from capitalism some portion of the surplus value it has appropriated is a confession that the time is not ripe for the assumption by the community of the full ownership and control of the industry which is taxed. In a Socialist State, where all the land is public property and where the State has the great bulk of industrial capital also in its own hands completely, there will be another instrument besides taxation in the hands of the State for preventing individuals from appropriating surplus value. When the State is a vast employer, and when it has an industrial organisation which can absorb all labour which desires to be employed by it, the private enterprise which continues to exist can only do so by giving conditions of employment at least equal to those enjoyed by the workers in State employment. This, with the taxation of all economic rent and profit (apart from salaries and wages), will put an end to capitalism, that is to the appropriation of surplus value.

The movement towards the goal just now described is in operation to-day not only in this but in all civilised countries. The taxation

of the rents of landlords and the profits of capitalists, the interference by the State with the way in which landlords and capitalists use their land and capital, the increasing use of the powers of the State to raise the standard of life of the people, and the acquisition by the community of services previously owned and conducted by private enterprise, are movements which are being assisted by all parties, and against which, on principle, no political party raises a definite protest, though parties do protest against the adoption of these principles in particular forms which they think are likely to affect their personal interests.

In the United Kingdom very considerable advance has been made along this 'four-fold path to Socialism,' as it was once described by Mr Sidney Webb. It would not be true to say that this policy was embarked upon as the outcome of a settled theoretic conviction that it should be the deliberate aim of constructive statesmanship to pursue it. The policy has rather been forced upon Parliament by the pressing necessity of intolerable and often inhuman conditions. There has been no coherency in this policy. The reforms have been adopted one by one, not as deliberate steps to a definite goal, but as reforms which seemed, considered on their own merits, worth adopting. With the growth of conscious Socialist opinion and its increasing influence on politics, a

policy which has been indefinite, haphazard, empirical will become the definite and logical aim of politics. This will come to pass when the working-classes realise in a fuller measure the causes of their poverty and the need for political organisation to attack those causes. When that awakening comes this nation will move forward rapidly towards Socialism on the four-fold road it has been treading so haltingly since the rise of the capitalist system. By following this path to the end we shall reach the Socialist State.

The first of the four ways in which we have been applying the principle of Socialism is in the constantly increasing interference with the unrestricted individual use of land and capital. This restriction by the community of the freedom of a landlord and capitalist 'to do what they like with their own' has been enforced because it was found that what was liberty to the landlord and capitalist was death to the community. This collective restraint upon the individual control of industry is an acknowledgment that the interests of the whole of society are above those of individual members, and that individual freedom must be restrained when it is manifestly injurious to social well-being. There is no need to go through the whole of the long list of legislative measures of this character, from the Morals and Health Act of 1802 to the last Act of the last session of

Parliament. The measure of Factory legislation just mentioned passed in 1802 regulated the accomodation which employers must provide for children in their employ. In 1819 the Cotton Mills Act was passed limiting the hours of children's labour in factories to twelve a day. In 1833 and in 1841 further legislation was passed, and in 1848 the Ten Hours Bill became law. There have been innumerable other legislative measures imposing a minimum of sanitation in factories and workshops, enforcing provisions in regard to the protection of machinery, fixing a minimum number of working hours, first for children, then for women, and finally for men; imposing upon the employers the obligation to afford the worker the means for calculating if he was paid the proper rates; making provision for inspectors to see that the legal conditions were observed. Besides these Factory Acts there have been many Mines Acts, Truck Acts, Compensation Acts, Wages Acts, Adulteration Acts, and Public Health Acts, until to-day the landlord and capitalist are regulated at every point by the State. There is scarcely a trade or occupation which is not now regulated by the State. Manufacturers, lawyers, doctors, sweeps, cabmen, shopkeepers, dairymen, and indeed every profession and occupation is in one way or another controlled by law in order to protect the community or the

persons employed in it from the tyranny or tricks of capitalism and competition. The Public Health Acts are intended to compel landlords to keep their property in a sanitary condition and roads in good repair. No landowner can build upon his land until he has received the permission of the community to do so, and that permission is given only on the condition that he observes the by-laws made by the community for its protection against the dangers of unregulated landlordism. The Adulteration Acts impose penalties upon manufacturers and traders who try to cheat the public by misrepresentation, or who endanger the public health by making or selling impure and harmful goods.

The second line of progress towards Socialism is the legislation which aims at raising the standard of life of the workers, and by State help assisting them to make provision for times of sickness, misfortune, old age, and unemployment. The most important of the illustrations under this head is our system of national education. To a generation which has always been accustomed to the State accepting the duty of providing an education for every child at the public expense, and insisting that every child received a minimum of education, it may seem strange to claim this as a modern development of the principle of Socialism. But up to the passing of the Education Act of

1870, the provision of education was left to voluntary effort, and where voluntary effort failed the children were allowed to grow up in heathenish ignorance. The State has gradually assumed more and more responsibility for the education of its future citizens, until now the entire financial cost of education in the public schools is met by the State, and the control of the system is largely in public hands also.

The policy of the State in regard to this movement we are now describing has been in the first instance to supplement, and not to supplant, any existing voluntary effort. But as in the case of education, as the ideal expanded and the greatness of the need was increasingly recognised, the ability of voluntary effort to supply the need gets less and the need for State assistance increases. In that way the State, which in the first instance came in to supplement voluntary effort, gradually supplants it, and the system becomes a State service.

This tendency for the State to do for individuals what they have been unable to do for themselves expresses itself, as has been mentioned already, in such measures as old age pensions, sickness insurance, provision for the unemployed, minimum wages, fair wages resolutions in public contracts, and the medical treatment and feeding of school

children. This kind of State effort is prompted by two motives, the humanitarian impulse to help the weak and suffering, and the conviction that it is not good social policy to leave these sores of poverty untouched. The agency of the State is utilised because it is recognised that the individual is powerless by his own efforts to overcome the misfortunes which afflict him. Without State help in the matter of education, one-third of the children of the workers received no schooling whatever. Before Old Age Pensions were given one-half of the aged poor were destitute when past work. Voluntary effort had failed to afford help in sickness and disability to more than half the wage-earning class. Trade Unionism had failed to organise anything approaching adequate provision against unemployment, and it had failed, too, to organise more than one-fifth of the workers for the purpose of protecting trade interests and securing a living wage. Parental affection and willingness could not obtain medical attention for the children, with the result that a large proportion of the children of school age have been found to be suffering from physical defects and ailments. A considerable number of children have been found to be insufficiently fed, not always through parental neglect, but through parental poverty. In a democratic State, such State agencies as those described for

raising the standard of the worker's life are not paternal charity. It is not something done for the workers by others. It is the workers doing something for themselves in the only possible way in which they can help themselves—namely, by joining their individual efforts together as citizens.

The third of the four paths by which we are slowly moving towards the Socialist State is the taxation of the rents of the landlords and the profits of the capitalists for the purpose of financing schemes for social betterment. Since 1894 there has been a decided tendency for national revenue to be raised in larger measure by the taxation of surplus wealth and unearned incomes. This is not yet accepted as a deliberate policy, and each step in the direction is vigorously opposed by vested interests, but the net result of what has been done in recent years on these lines is to alter the respective proportions of direct and indirect taxation, so that now the larger part of the national revenue is raised by direct taxation—that is taxes on incomes and estates. The State now distinguishes between 'earned' and 'unearned' incomes, and taxes the latter at a higher rate than the former. The duties upon large estates left by death have been raised to such a figure that those of the largest class may now pay 25 per cent. of the declared value in estate and legacy duty.

The last of the four methods of advance towards Socialism is the growing practice of superseding private enterprise by the public ownership and management of productive works and distributive and transport services. The regulation of private trade is often but a preliminary stage to that of complete ownership and control. The regulation of private trade is enforced in order to protect the public against excessive exploitation and risk to health. Where an undertaking which is of the nature of a monopoly is under private ownership and control, the State insists upon the observance of certain regulations in the public interest. If it be a railway or a tramway or a gasworks or a waterworks, the State in granting the monopoly fixes the maximum rates which may be charged, and it reserves the right to make by-laws for the safety and comfort of the public. But experience has shown that no amount of regulation can give the public full protection. These private concerns are run for profit. The shareholders want the maximum return; the public want the maximum service at the lowest rates. There is this eternal conflict of interest between the owners and the users. Experience has proved that these conflicting interests can never be reconciled so long as the owners are one set of persons and the users another. The result of this experience is that a long list of

undertakings once under private ownership have passed under public ownership and management, and in this way the conflicting interests of owners and users have been reconciled—that is by making the users the owners and managers also. When an undertaking is the property of the public who use it, it is to every one's interest to have an efficient service at the lowest cost to the users.

The State and the Municipalities of the United Kingdom now own and work, or own or work, undertakings of almost every description. To merely enumerate these public undertakings would occupy more space than we can afford. In that long list of Collectivist concerns will be found farms, forests, small holdings, allotments, parks, golf courses, gymnasiums, roads, streets, houses, hospitals, lodging-houses, market halls, schools, colleges, libraries, museums, art galleries, docks, ferries, tramways, light railways, telegraphs, telephones, gas works, electricity works, slaughter-houses, cemeteries, restaurants, sanatoria, asylums, wash-houses, kursaals, spas, milk depots, crèches, post offices, and banks. There is now £536,000,000 of capital invested in the municipal activities of the United Kingdom, and for the various public services provided by these municipalities a sum of £73,000,000 is annually raised by rates

on property, which the orthodox political economists tell us is a deduction from the economic rent of land.

It may seem strange to some people to quote these concerns as being instances of Socialism in partial operation, but the fact is that this form of public enterprise is a development of quite recent times. Adam Smith said in his *Wealth of Nations* that he doubted if even joint-stock enterprise would ever conduct any business outside banking, and yet to-day a Minister of the State is the largest employer of labour in the country. It is outside the scope of this chapter to argue the question of the relative efficiency of public and private management. But that question can be disposed of very shortly. Ask the citizens of Liverpool, Glasgow, Leeds, Bradford, Manchester, Sheffield, and fifty other towns which have taken over tramways from private companies if they would go back to the former system of private ownership? Or ask the citizens of any of the municipalities which own the gas, water, or electricity services if they would accept the offer of a private syndicate to purchase the undertaking at a hundred per cent. premium on the nominal capital value? It is the example of the great success of public ownership which has given such a stimulus to the movement in the last twenty years.

These are the four roads to Socialism. We are well on the road to Socialism, and the full realisation of economic Socialism requires the adoption of no new principle. It only needs that we shall continue in the same direction more consciously and more scientifically.

CHAPTER XI

THE NEXT STEPS TO SOCIALISM

The programmes of the various Socialist organisations give an outline of the stages by which it is expected to accomplish Socialism. Each item in these programmes will fall under one or other of the four heads mentioned in the preceding chapter. There are in these programmes demands for an eight-hour working day, a minimum wage for all adult workers, complete provision against sickness, free education for all children at the primary, secondary, and technical schools, adequate provision for all aged and infirm persons; there are other reforms aimed at the raising of the general standard of the workers' life. All these fall in the first and second of the heads of progress previously described. There are also demands for the abolition of indirect taxation and the gradual transference of all public burdens on

to unearned incomes, with a view to their ultimate extinction, which is a demand for further advance on the third path of the four-fold road. These programmes also demand that the local authorities be invested with power to organise and undertake such industries as they may consider desirable, and to acquire compulsorily all the land which may be needed for such enterprises; and they demand also the public ownership of all monopolies and other undertakings which can be conveniently managed socially. These last-named items in the Socialist programmes are demands to extend the policy outlined under the fourth head in the preceding chapter. In principle there is no difference whatever between the demands set forth in these Socialist programmes and the movement which has been going on, more or less, for the past half-century or more. Socialists urge that there are many directions in which this policy can be extended, and that there are many great services and industrial concerns which are ripe for public ownership and control.

Under the first of these heads the principle of a Living Wage must be accepted and applied to all trades. It has been done in a moderate way by the Mines Minimum Wage Act and the Trade Boards Act in the United Kingdom, and to a greater extent by similar legislation in the colonies. A general reduction

of the hours of labour is demanded on two grounds, first because the present long hours in many trades lead to physical hardship and leave no time for leisure and culture, and second because the reduction in the working hours, with a State guaranteed minimum wage will ensure the worker an increased share of the advantages of industrial progress. The state maintenance of the sick and infirm is advocated on the ground that as the State has failed to secure every willing worker such a livelihood and such remuneration as will enable him to make provision for such misfortunes it is the duty of the State to maintain him in his misfortune out of funds provided by the taxation of the unearned incomes of the rich. This demand is made on the further ground that the State can organise and administer such assistance better and more economically than it can be provided by individual effort.

Socialists attach great importance to the drastic treatment of the Unemployment problem in the transition period to Socialism. The existence of an unemployed army is one of the greatest assets of capitalism. If by the organisation of schemes for the unemployed, or the maintenance of the unemployed by the taxation of surplus value, workmen could be relieved from the necessity of bidding against each other for employment, the whole condition

of wage labour would be materially improved. As means to that end Socialists demand that the State shall embark upon schemes of national development, such as the improvement of roads, harbours, waterways, and the afforestation of suitable wastes. They suggest also that the policy of agricultural holdings for the labourers shall be extended, and that help shall be given by the State in the form of encouraging co-operative effort among these State tenants with the assistance of State capital. These reforms would serve two good purposes. They would palliate present evils, and would advance the movement for public ownership of the land. As a means of curtailing the power of landlords, and at the same time extending the scope of public enterprise, a very vigorous policy of housing is advocated. This is recommended, too, on the grounds of public health and morality.

The abolition of all indirect taxation and the transference of national taxation to unearned incomes and estates left at death is an extremely important feature of Socialist policy. Upon the financial basis of a scheme of social reform its value from the point of view of Socialism very largely depends. This method of taxation as a means of securing for the community wealth which may in the first instance have been appropriated by individuals is a method which will probably be operative

until the Socialist State is almost completely established. Under the complete Socialist State there will be no taxation, for the State having the means of producing wealth in its own hands will provide for public needs out of its own resources. So long as taxation is necessary it will be a confession of the incompleteness of Socialism, or of the undesirability of yet applying public ownership to a particular concern.

The line of advance to which Socialists attach greatest importance is by way of public ownership. All other ways are merely palliative, though they may be very useful and very helpful. The policy of extending public ownership will follow the method already in practice, with such modifications as experience and the increasing power of democracy in making the terms of transfer will bring about. It is impossible to lay down any line of demarcation of the operations of the State and the local authority. Each case will have to be settled upon its own merits. But it is very likely that greater liberty will have to be given to local authorities to co-operate where, owing to geographical contiguity, their interests overlap. Greater liberty, too, will have to be conceded to local authorities to embark upon such ventures as the citizens support. 'It is' said Mr Arthur Balfour, in defending private enterprise,

'upon the productive activity, the inventiveness. the enterprise, the knowledge, the readiness to run risks, and to bear the result of risks when they go wrong, it is upon this that a great community depends, and on this alone, for the wealth it can use.' This is precisely the liberty the community wants. Socialists demand that the community shall be placed upon terms of equality with private enterprise; and where the citizens so desire they shall collectively have the liberty to run risks and bear results. Socialists are willing that the community shall shoulder the risks which private enterprise has hitherto taken, and that the community shall bear the losses—and take the profits.

Municipal enterprise will develop in two ways. It will continue to take over public services of the nature of monopolies, and to pay such compensation to the previous owners as may be agreed upon. It will also set up competitive services where no monopoly exists. The municipality could not very well set up a rival tramway system to one already in its streets, but there is no reason why it could not start competitive enterprises in house building, fire insurance, coal supply, milk supply, bakeries, refreshment houses, stores, and the like. There are abundant precedents for competitive municipal enterprise. It is done now to a small

extent in the matter of house building, in markets, lodging houses, schools, and street omnibuses. In all these last mentioned cases the ratepayers' money has been invested in competition with the private ventures of individual ratepayers, and no question of compensation has arisen. All services which are of the nature of monopolies, such as tramways, gas, and water undertakings, and electricity supplies, should be put beyond the power of capitalistic exploitation.

Other public services and undertakings will naturally come within the category of State-owned enterprises, though it may be found convenient in some cases for the State to co-operate with the local authorities in the management of such concerns. The State in Great Britain owns the telegraph system, and in 1912 it took over the telephones without opposition from any quarter. The scheme of nationalising the telephones was first approved by one political party and afterwards carried through by another. In most of the Continental countries, and in the British colonies of Australia, New Zealand, and South Africa, the railways are State-owned. The railways in India are State-owned and State-managed, and Lord Morley, when Secretary for India, described the system as a splendid example of successful Socialism. The next three long

steps towards Socialism which will be taken in Great Britain will probably be a large measure of land nationalisation, the nationalisation of the railways, and the nationalisation of the mines. Socialists who advocate these reforms on theoretical as well as practical grounds have the support of a great volume of opinion which is not Socialistic, but which is practical enough to see the advantages which would come to the community by the substitution of public for private ownership of these great essentials to labour and life. In connection with the nationalisation of the railways, Socialists advocate the development of the waterways and roads, for the different modes of transport together make one problem. Under common ownership and management these three methods of transport—railways, waterways, and motors—would be worked as parts of one unified transit system.

Nothing more strikingly proves the soundness of proposals which Socialists first advocated on theoretic grounds than the fact that these proposals are now being put forward by men who repudiate all sympathy with Socialism but who see the practical value of these Socialist schemes. In July, 1910, there was issued a Report of a Commission which had been inquiring into the Irish Railway system. The majority of this

Commision reported in favour of the nationalisation of the Irish Railways. The Chairman of this Commission was the chairman of the English South-Western Railway Company. The other men who recommended this piece of Socialism were great captains of industry. A few months before this Report was issued, a Royal Commission had recommended the nationalisation of the main waterways of England. So far back as 1893 the late Sir George Elliot, a great mine-owner and mining authority, put forward a scheme for the formation of a great coal trust which was to combine all the coal mines of Great Britain. He saw no difficulty in uniting all the mines under one authority, nor was he troubled about finding the money. He calculated that all the collieries could be converted into one concern with a capital of £120,000,000. He proposed to raise this capital from shareholders, and to work the trust in their interests primarily, with some consideration for the miners and the public. This scheme admits the practicability of amalgamation and central control. It admits the essence of nationalisation. If the amalgamation of all the mines is a practical idea, it becomes none the less practical if the whole nation finds the money to buy the mines instead of a few hundreds or thousands of shareholders doing so.

The nationalisation of the land, the mines, the railways, and the other means of transport would be a tremendous step towards Socialism. Socialists want not merely public ownership, but democratic management in the interests of the community. It is quite possible for a public service to be publicly owned, and yet the condition of those employed in it to remain no better than before. The public ownership of the land, the railways, the mines, must result in a revolution in the function of these enterprises. They must no longer be means of exploiting the public, but of serving the public. Unless that change is affected the mere change of ownership is not Socialism.

A question which troubles a great many people when these great proposals for public ownership are made is the way in which it is to be done, and especially the way in which the money is to be found to pay for them. This latter difficulty is felt only by those persons who give Socialists credit for sufficient honesty as to believe that compensation will be paid. But these are difficulties which will disappear if it be remembered that the railways have been nationalised in many other countries without confiscation, and if it be remembered, too, that in this country we have transferred from private to public ownership such great concerns as the Telephone

System, the London Docks, the Metropolitan Water Companies, and tens of millions of property in tramways and gas and electricity works. Critics of Socialist proposals talk about piling up a huge national and municipal debt. The capital of the British railways is about £1,250,000,000. To nationalise these railways would add, we are told, that sum to the national debt. But what is this railway capital now? It is debt in precisely the same sense as it would be if the nation had borrowed the money to make or to buy the railways. The railway companies have borrowed their capital from the public; they are indebted to the shareholders for the money the shareholders have lent them. In the same way if the railways were nationalised the people who had lent the money to the nation would be the creditors of the nation instead of being the creditors of a railway company. It cannot rightly be called debt when there are assets to cover the liabilities.

It is just as easy to acquire a property worth a thousand millions as one worth ten millions. The London Water Board has a property worth £40,000,000. It was acquired by the Water Board by the amalgamation of the previously existing private companies. How did the Water Board get the money to do this? They never did get it.

The money was there before the purchase, invested by the private shareholders. All that was needed was to transfer the shareholders' stock in the private company to a corresponding amount of stock in the Water Board. About 1908 the London Docks were acquired from private companies and vested in a public authority. The price paid was £20,000,000. In this case the properties of the several dock companies were vested in the new Port Authority upon terms which had been agreed upon between the companies and the Board of Trade. The new Port Authority was authorised to issue, under an Act of Parliament, to the late owners specified sums of 'Port Stock,' and it was directed that the 'stocks so issued shall be substituted for the existing debentures and other stocks of the dock companies,' and 'on such substitution being effected, the existing debentures and other stocks in the old companies shall be cancelled.' This explains the way to nationalise any existing concern whether it be a dock, a canal, a mine, or a railway. If the present owners did not wish to have their holdings transferred to State Railway Stock or State Mines Stock, as the case might be, they would be paid in cash from borrowed money. But if they were paid in cash they would require to re-invest elsewhere, so the likelihood is that they would exchange for State Stock.

When the Metropolitan Water Board was formed, although the purchase price was about £40,000,000, it was only necessary to raise about £500,000 in cash, as nearly all the old shareholders accepted the new stock.

Though the plan outlined above will probably be the usual method by which undertakings will be acquired in the future, it is likely that other methods will be followed in some cases. In nationalising the land, not one only but several schemes will be simultaneously operating. The plan of purchase by means of redeemable bonds, in some cases by terminable bonds, will no doubt be adopted. But with the advance of public opinion, and with the development of social schemes for assuring employment for all who can work, and maintenance for the infirm and aged, the plan of setting a time limit to the right of private property in land will very likely be adopted. The Licensing Bill of 1908 has provided an admirable precedent for applying the time limit idea to land. The cases of the licence monopoly and the land monopoly are perfectly analagous. In neither case have the owners been given an absolute legal title to the property. But in each case the privileges which the crown conferred have been abused by the holders of the concession assuming all the rights of absolute possession. In the case of a liquor

licence, the law reserved the right until 1904 to take away the licence without compensation. Formerly, where a landlord left no direct heir the estates passed to the crown. If the time limit plan can be justified in the case of the liquor licence, it can be equally justified in the case of land ownership. But as the right of possession has been assumed longer in the case of land than of liquor licence, it would only be fair to give a longer time limit. We might revert to the old practice of the State resuming the possession of the land where the owner died without a direct heir. In other cases a time limit might be fixed extending to the lifetime of the owner and his living direct heirs.

It may be asked what advantage is going to accrue to the community by the nationalisation of the great monopolies if the full value is to be paid as compensation to the expropriated owners. Will not that plan create a huge number of parasites who will be living on incomes paid by the State out of the profits of these services? These objections are in the main true during the transition period. But though the interest will have to be paid upon the bonds until they have been redeemed, there will be great advantages in the acquisition of these monopolies by the State. It will put an end to the appropriation of all future social increment value in these

properties acquired by the public. After public acquisition the land value increment will accrue to the community in full, and the increment value due to mechanical improvement, better organisation, and increase of population which the owners of railways and all other services and works now take, will go wholly to the community. It must be remembered too that the instrument of taxation will be used more vigorously on unearned incomes and legacies, and in that way the State will get back a large measure of the interest paid to the bondholders.

The aim of Socialism is to get rid of the payment of interest and profit. As the instruments of production pass more and more into the hands of the State there will be less and less need to borrow for the further extension of State enterprise. The opportunities for the investment of private capital will be constantly getting more restricted, and the rate of interest will naturally fall, until when the community owns practically all the great sources of wealth production interest will disappear, for when there are no openings for the investment of private capital for profit no one will want capital or be willing to pay interest for its use.

The transition to Socialism will be brought about with as little hardship to existing interests as can be avoided. Above all else

Socialism must regard the honour and probity of the State, and must do nothing to give its citizens the impression that it cares nothing for existing rights which have been established and recognised by law. Reforms in the interests of the community generally should not be carried out by making innocent individuals bear all the cost of them. No reform can be successful unless it is regarded by the majority of the nation as being just and moral. If the overwhelming majority of the nation considered that it was desirable in the public interest to dispossess, say, the landowners, at once, without any compensation, it could be done, but it would be an unfair and immoral thing to do unless at the same time some adequate provision was made for suitable livelihoods for those who were expropriated. Compensation may take many forms, but it is safe to say that in one way or another the community will recognise it. It is admitted by all the leading Socialists in Britain and in Germany that compensation will have to be given in some form to the expropriated classes. The unfairness of any other method becomes more apparent when it is remembered that the transition to public ownership will be gradual, and it would be utterly unjustifiable to take the property of certain persons without compensation and leave others still in possession

of theirs. When it was thought that Socialism might come as the result of a great catastrophic event there was everything to be said in favour of no compensation. If all the property owners were dispossessed at the same moment it would palpably be absurd to give compensation. But that is a situation which can never arise.

In this matter of compensation the Socialists are much more just than is the present state of things. Under competition private property is appropriated without any compensation and without any regard for the wrong that is done and the injury which is inflicted. Under the system which prevails to-day the State or municipality are practically the only people who cannot carry out a public benefit without paying private individuals exorbitant compensation. If a private individual or firm, say one of the multiple-shop firms, thinks fit to do so it can come into a town and ruin half the shopkeepers without having to give them a penny of compensation. If a municipality wishes to embark upon some enterprise it must lavishly compensate every person who imagines he has some vested interest in the existing state of things. The compensation which will be given by a democratic State which is engaged in transferring the instruments of production to the public will not be on the scale which

obtains to-day. There is a general impression that the State or the local authority is a goose to be plucked, and whenever it has to buy a piece of land or some other property it is robbed in the most shameless manner. The landowners, the property owners, and the lawyers conspire to make the best of the opportunity. If it is necessary in the interests of municipal economy to amalgamate local authorities, the most lavish compensation is given to officials, who in nine cases out of ten immediately fall into an equally well-paid post. But there is no compensation for workmen who lose their jobs. The main purpose of mechanical invention is to take away the need for employing human labour. The displaced workman is thrown upon the scrap heap, and the machine which robbed him of all the property he had in the world—his industrial skill—at every revolution is making profits for others. Compensation in the transition to Socialism will be just—just all round—just to the workman who is dispossessed as well as to the property owner. But it will not be more than just.

The rate at which advance will be made towards the Socialist State on the lines indicated in this chapter depends upon the rate at which the revolution in men's heads progresses. It is fairly safe to assume that

the rate of advance will be one of progressive acceleration. Every such practical step will make the next step easier to take. The more collectivist institutions there are the more rapid will be the education of the community in its principles, Practical acquaintance with the working of such institutions will help to remove previously existing fears and misconceptions. The public will gradually begin to feel a sense of ownership of these public institutions and services, and this will develop a pride in the possession of them. In this way the social spirit will develop, and with a well-developed social spirit present-day difficulties will pass away, for all things will be possible to a conscious and intelligent community.

CHAPTER XII

SOCIALISM AND SOCIAL REFORM

There is a vital difference between Socialism and much of what passes as Social Reform. Every political party in the United Kingdom claims to be a party of Social Reform. Every Government spends its time in attempting to pass what it calls measures of social reform, each of which is professedly intended

to mitigate some hardship from which some section of the people are suffering. Conservatives denounce Liberal measures as Socialism, and Liberals use their rhetoric to announce that 'Liberals are prepared to offer a convinced and uncompromising opposition to Socialism.' Mr Winston Churchill in loud-sounding but meaningless phrases contrasts the respective aims of Liberalism and Socialism. 'Socialism seeks to pull down wealth; Liberalism seeks to raise up poverty. Socialism exalts the rule; Liberalism exalts the man. Socialism attacks capital; Liberalism attacks monopoly.' These are mere rhetorical contrasts which would be equally true and equally intelligible if the words Socialism and Liberalism were reversed. Nothing is more entertaining to a Socialist than the desperate and futile attempts of party politicians to try to convince themselves that certain reforms they are compelled to adopt have nothing to do with Socialism. The efforts of Liberal politicians to draw a distinction between their Social Reform and Socialism are equally interesting and equally ridiculous. The only way in which Liberals can justify a claim to be a Social Reform party is by appropriating the principles and programme of the Socialist parties.[1]

[1] See *The Crisis of Liberalism* by J. A. Hobson; *The Meaning of Liberalism* by J. M. Robertson.

The profound distinction which some Liberals seem to see between Liberalism and Socialism is that in their opinion Liberalism seeks to protect and expand individual liberty, while Socialism aims at its destruction. Mr Asquith says: 'If you ask me at what point it is that Liberalism and what is called Socialism part, I answer, When liberty in its positive, and not merely in its negative, sense is threatened. Liberty means more than the mere absence of coercion or restraint; it means the power of initiative, the free play of intelligences and wills, the right, so long as a man does not become a danger or a nuisance to the community, to use as he thinks best the faculties of his nature, the earnings of his hands or his brain, the opportunities of his life. The great loss counterbalancing all the apparent gains of a reconstruction of society upon what are called Socialistic lines will be that liberty will be slowly but surely starved to death, and that with a superficial equality of fortunes and conditions, even if that could be attained, we should have the most sterilising despotism that the world has ever seen.' Mr Asquith went on to say that he had no fear of the triumph of such a Socialism as that. He may well have no fear, for the bogey which Mr Asquith has erected and which he calls Socialism is a thing with

which no Socialist would admit the remotest acquaintance.

The ultimate purpose of all the industrial reconstruction which Socialism aims at is to secure for every individual the fullest measure of personal liberty. Where Liberalism and Socialism differ is in the fact that Liberalism does not understand the essential condition of individual liberty. It does not see that individual liberty is impossible so long as men have not equal access to the means of life. There can be no such thing as individual liberty so long as land, the absolute essential to a man's existence, is the property of a few and is used to dictate to the many the terms on which they shall be permitted to live. There can be no individual liberty so long as the workers in mine and factory can only work by permission of a master, so long as the workman is a 'hand' with no part or lot in the direction of the industry at which he works. The present industrial system has achieved a state of things such as Mr Asquith says Socialism will bring. There is no opportunity to-day for the great mass of the people to give free play to their intelligences and wills. They have to do their work as they are told, and they must not allow their gifts of initiative to operate. The slavery and mechanical character of modern industrialism have

destroyed the individuality and originality of the workers. The workman carries about with him the unmistakable marks of his mechanical existence. His appearance betrays his station in life and his manner of livelihood.

The fear of the tyranny of the State under Socialism, which is felt by many non-Socialists, though without foundation, has some excuse from past experience. In the past the State has always been the representative of the oppressing and exploiting class. Under slavery, the State was the slave-owner, under feudalism it was the baronage; under capitalism the State is the capitalist. But under Socialism the State, as the State has been known in the past, will have disappeared; for under Socialism there will be no classes, for all the people will form one class, and the government and organisation will be democratic, each individual having an equal voice in the direction of the affairs of the common life. And as Socialism postulates an intelligent democracy, it will be manifest how foolish is the fear that Socialism will result in the oppression of the individual. When all the power will be in the hands of an intelligent people: when the condition of things is what the common sense of an intelligent, self-governing people makes it, is it not foolish to suppose that such a people

will voluntarily inflict upon themselves all the restrictions of liberty opponents of Socialism describe?

Those who fear that Socialism will destroy individual liberty fail to distinguish between liberty and licence. Socialism will restrict liberty in the negative sense in order to give the individual greater liberty in the positive sense. Law is slavery only when a law is imposed by one class upon another. When all submit to law imposed by the common will for the common good, then law is not slavery but true liberty. The restriction of the liberty of the individual to exploit his fellows, the abolition of an idle class living on the labour of others, are aimed at by Socialism in order that those who now are in subjection to others may be made free. Human beings must always be slaves to the satisfaction of their primary physical needs, but by the organisation of production these can be satisfied with a very moderate expenditure of time and labour, and then the individual will be free to follow the bent of his higher desires. Instead of Socialism being merely a material movement, seeking only the satisfaction of physical needs, it is a movement which is seeking to subordinate materialism to the intellectual life. Socialism, it is very often said, might be possible if human nature could be changed. Human

nature is not a fixed and unchangeable thing. It is very much what it is made by economic conditions. The liberty that men have sought in the past has been liberty to pursue without restraint the pursuit of wealth, because the possession of wealth gave them the command of all the other things that constituted individual liberty in the true sense—namely, leisure to use according to one's desires, freedom to live, freedom to love, freedom to move. But under competition and private capitalism these things are only possible for the very few, though the activities of most are spent in a futile struggle to gain them. By the organisation of industry on collectivist lines, the motive of individual effort will no longer be to get rich for the sake of what riches will command, because these things will be added unto the individuals of a community which has established the kingdom of industrial righteousness.

Only under Socialism will true liberty be possible. Instead of Socialism leading to a deterioration of effort and individual initiative it will enormously stimulate both. The workman to-day has nothing but the fear of starvation to stimulate him. Under Socialism he will know that he will share fully in the fruits of his labour. Invention will be encouraged and every labour-saving device adopted, because then the advantages

will be shared by all. When the organisation of industry on Socialist lines has freed the individual from the all-engrossing task of supplying his material wants, it will be found that his natural aspirations are after the enjoyment of rational and intellectual things. It will then be found that what has been regarded as the exceptional endowment of a favoured few has been mainly the result of the monopoly of advantages which economic monopoly has given. Human nature and human gifts only want a favourable environment to show that the one is good and the other great.

The essential difference then between the Social Reformer and the Socialist is not one of ultimate aim. Both desire to secure the largest possible measure of individual liberty. The essential difference is one of means, or of the economic basis of the free State. Mr Arthur Balfour has thus defined the difference between Socialism and Social Reform. He says, 'Social Reform is when the State, based upon private enterprise, recognising that the best productive result can only be obtained by respect of private property and encouraging private enterprise, asks them to contribute towards great national, social, and public objects.' Here is the essential difference between the Social Reform of the non-Socialist parties—Liberal and

Conservative—and the Socialists. The non-Socialist Social Reformers believe that it is possible to abolish social evils, to abolish poverty, to give a full measure of liberty to all, to establish equal opportunity without changing the basis of the economic structure of society. Socialists do not believe that. That is the essential difference between the Social Reformer and the Socialist.

The Social Reformer is at a great disadvantage in arguing this point with the Socialist, because he has to admit so much of the Socialist position. The Social Reformer is faced by the uncomfortable fact that all his social reforms attack landlordism and capitalism. The record of the social legislation of the last half-century is full of legislative measures curtailing the power of landlords and capitalists. The Social Reformer is therefore compelled at the outset of this controversy to admit that the reforms he claims to the credit of his party have been made necessary by landlordism and capitalism, and that the items still on his unrealised programme are of the same nature. But he may reasonably argue that though Social Reform is mainly concerned with the abuses of capitalism it is possible to make that institution tolerable by regulation and control without abolishing it. The Socialist meets that contention by denying it, and he

brings forward an unanswerable case for his claim.

In the first place a century of Social Reform has left the condition of the great mass of the workers very little improved. The tendency at the present time is towards a wider disparity in the distribution of wealth than has ever before existed. If the aim of Social Reform is to bring about a better distribution of wealth then it has certainly failed in its purpose after a century of effort. The aim of Social Reform must be not merely to raise poverty, but to stop the widening of the gap between the rich and poor. If there was no poverty, if all the workers were in a moderate state of comfort, and if there were still the rich as we have them to-day, the Social Problem would still face us, for there cannot be extremes of wealth without all the moral and social evils which inevitably spring therefrom. But Social Reform is not touching that aspect of the Social Problem, and it never can so long as the monopoly of land and capital exists. No so-called reform touches the problem unless it lessens the power of capitalism to appropriate socially-created wealth. The taxation of the rich does not necessarily do that. It may be, and as a matter of fact it is the case, that the appropriation of surplus value is going on very much faster than taxation is appropriating

it. The Income Tax figures clearly show that. The gross amount of income brought to the notice of the Revenue authorities has risen from £867,000,000 in 1901 to £1,046,000,000 in 1910. In the same ten years the amount of the increase of national taxation imposed upon this class has risen by £6,000,000 only. The same fact is shown in the operation of the increment value taxes of the Budget of 1910. When these taxes are in full operation they will take only 20 per cent of the 'unearned' increment—that is to say that the land owner will be appropriating what is admitted to be wholly a socially-created value four times faster than the community is taking its own. So long as the right of private ownership is recognised there will be strict limits to the amount of taxation which can be levied without raising a protest on the ground of confiscation.

But so long as private landlordism and capitalism exist mere Social Reform will never touch the problem of the disparity of wealth. In fact, and this is a most important point for the Social Reformer to ponder upon, Social Reform, even when the cost is put upon him, benefits the capitalist and landlord as much as it benefits the workers. It must not be assumed that we are arguing that these socials reforms do no good to the workers. Far from that. When the

cost of Social Reform is met by a deduction from the surplus value which the capitalists and landlords had taken, it adds so much to the worker's real income more than he would otherwise have enjoyed. Though, as we have just shown, the rich have been growing rapidly richer during the time such legislation as Old Age Pensions, Workmen's Compensation, and the like has been going through Parliament, the workers as a class are better off by the sums they are now getting from this legislation, assuming, of course, that the cost has come from the rich—which is not actually the case.

But this social legislation, we have said, benefits the rich as much as it does the workers. Education, shorter hours, better housing, better health conditions, technical training make more efficient workers, and this makes the cost of production less, thus increasing the profits of the capitalist. In the debates on the National Health Insurance Bill in 1911 the Chancellor of the Exchequer repeatedly maintained that the employers' contribution would not be a tax on their profits, because the improved efficiency of the workers which would result from the better provision for their health would compensate the employers for the premiums they paid. Every rise in the standard of life of the workers is taken advantage of by

the landlords to increase rents. This point was very well put by the late Mr Goschen when he was the First Lord of the Admiralty. Replying to a request for higher wages for the labourers in the Government victualling yard at Deptford, he said:[1] 'If it were consistent with proper administrative principles to make an advance of the wages of these labourers he would certainly do so. But there was a larger question than that of the amount involved, which was infinitesimal. If the position of the labourers at Deptford was as described, it was rather due to sweating landlords than to the rate of wages. The wages had been raised 20 per cent in the last ten years, and the house rents 50 per cent. It was constantly the case in these districts that the increase of wages only led to a larger sum going into the pockets of the landlords, and he was even told that some of the men who were locally the loudest in the cry for justice to the labourers were owners of cottage property who would benefit if the wages were raised.'

Social Reform deals with results. Socialism gets down to root causes. Social Reform is the treatment of the external sore on the social body. Socialism is the internal remedy which will cure the ailment. All the experience of a century has shown that industrial

[1] House of Commons, April 14, 1899.

and social evils cannot be abolished so long as landlordism and capitalism exist. The Socialist, then, is the only true Social Reformer, and the only real Social Reform is that which is gradually lessening the exploitation power of landlordism and capitalism.

The attempt which non-Socialists make to distinguish between Socialism and a Socialistic reform is not more successful than their other devices to evade the logical conclusion of their own policy of interference with the privileges of private property. Reforms which are Socialistic, they contend, are not Socialism, and do not commit those who carry them to the principle of Socialism. But a reform cannot be Socialistic unless it is an application of the principle of Socialism. 'The nationalisation of land is not Socialism, the nationalisation of the mines and the railways is not Socialism, the public ownership and control of social services is not Socialism,' these Social Reformers declare. This is tantamount to saying that the floor of a house is not a house, that the walls of a house are not a house, that the roof of a house is not a house. That is quite true. But the floors, the walls, and the roof together are a house, and as a house cannot be built by the wave of a wand, but must be built stage by stage, first the floor, then the walls, then the roof,—and then the

house, so with the building of the Socialist State. It will be built by Socialistic reforms, each bringing the building nearer the state of completion, when it can be said, 'Though not one of the steps was Socialism, the successive steps have brought us to Socialism.'

CHAPTER XIII

SOME OBJECTIONS TO SOCIALISM

It is easy for a critic to point to many difficulties in the way of establishing of Socialism. The non-Socialist is probably less aware of the difficulties which will have to be met and overcome than the Socialists themselves. It is not believed that the establishment of Socialism will be an easy task. Vested interest is strongly entrenched, and men are slow to adopt new things, even when the old are burdensome and out-worn. It would be folly to minimise the difficulties of establishing Socialism, when our every-day experience shows how hard it is to get urgently needed reforms of the most modest kind, and how many are the practical difficulties which always have to be overcome in carrying out a small reform. But however slow and irritating the rate of progress may be, the

history of civilisation is the record of obstacles surmounted. When the people believe that Socialism is desirable they will give their wills and bend their energies to the task of facing the difficultics, and the united intelligence of the people will be found to be equal to that task.

No Socialist pretends to be able to show in every detail how Socialism will come, and he certainly would not be so foolish as to construct now a complete plan of the future Socialist State. Those critics of Socialism who ask for such information never expect similar information in regard to reforms advocated by other political parties. No leader of the Liberal Party would be so foolish as to expound in detail some scheme of reform which was still in the stage of agitation. Mr Asquith says: 'Liberalism is no hard and fast creed, but is capable of infinite expansion.' A principle is a living thing; a creed is a sterile thing. Mr Balfour, replying to critics who asked him to outline a scheme of Tariff Reform, flatly refused to do so, saying that it would be the time to do that when he was in a position to carry a Tariff Reform measure; and the whole Unionist Press applauded Mr Balfour's wisdom. Yet these are the people who ask Socialists to do what they refuse to do in regard to a specific question they urged as

an immediate reform. If the critics of Socialism would be good enough to remember that Socialism will be established by the democratic will, and that the people who promote Socialism will claim the right to settle the details themselves, they would be saved a good deal of unnecessary inquiry.

There are, however, a number of fears prevalent as to what Socialism will do, and a number of misconceptions due to ignorance and confusion which it is the duty of Socialists to try to remove. We will take a few of these popular objections and criticisms, and endeavour to answer them.

In the first place, Socialism does not aim at the abolition of private property. It seeks to socialise only such forms of property as can be more efficiently and economically controlled socially. But Socialism does aim at preventing private individuals from appropriating the property of others, which is the main characteristic of the existing system. It is very likely that the number of communal services will greatly increase, as indeed they are doing now, until most of the mere necessaries of life will be supplied from a common store, as water, gas, electric light, education, roads, and many other things are at present. In this way the workers will receive part of the results of their labour. But for the rest they will receive their remuneration in such

a form that they can spend it in such a way as their needs or tastes may dictate. It is perfectly consistent with Socialism that a man may own his own house, paying the economic rent to the community. The vast majority of the people will certainly possess far more private property under Socialism than they do to-day.

Socialism will neither abolish private property nor prohibit private enterprise. If the Socialist community is wise and self-interested it will certainly give every encouragement to private enterprise, insisting only on the condition that there is no exploitation of labour. Artists, writers, and professional men to a great extent probably will work 'on their own,' finding markets for their services both in individual and public employment. This will provide a healthy and stimulating competition. There will probably be many forms of industrial organisation. There will be the State controlling the great centralised and concentrated industries; the communes managing the monopolies of a local character; and voluntary co-operative societies and trade guilds engaged in handcrafts and special work. The one thing the Socialist State will avoid, we may be sure, will be the tendency to uniformity.

What has just been said prepares the way to deal with another fear which many people

have that Socialism will give no incentive to the person of ability. Socialism might almost be defined as a scheme for the elimination of Waste. It will certainly insist upon making the best of everything and giving every person the fullest opportunity to make the best of himself. Socialism does not aim at the establishment of equality. There are some persons, whose mental condition must be very serious, who calmly say that Socialism means that everybody will be made precisely alike under Socialism, and that no natural differences will be tolerated. The gifted will be dragged down to the intellectual level of the dullest, and the short will be stretched out to the legal length. Socialism aims at the establishment of Equality of Opportunity, which must be founded on economic justice. Economic justice demands that the ownership and control of the means of life shall not be private monopoly. Social advantages are the result of economic advantages.

Under Socialism the present class of monopolists will no longer be able to take the enormous share of the national wealth which they now take, and which gives them their social advantages. Thus stripped of an unfair economic advantage, but retaining an equality of opportunity with all, the struggle for supremacy, for leadership, for

prestige, for honours, will be decided by natural individual differences.

The man and woman with brains will find a far better opportunity to use them under Socialism. The Socialist State will settle the rates of remuneration of the various grades of workers, but it is difficult to conceive how in any system less than complete communism there can be equality of remuneration. But two influences will be operating to bring the individual remuneration to an approximate level,—first the general average of education which will result from equality of opportunity, and second the growth of the social spirit which will induce men to look more to the prestige of public service than to its monetary rewards. But differences will exist, and the Socialist State would certainly not refuse to pay a man more than the average remuneration if he refused to apply his ability at a lower rate, provided, of course, that his services were worth what he demanded.

Socialism will be the salvation of the intellectual proletariat. The market value of education in these days is rapidly falling. Men of high educational and professional qualifications are unable by the tens of thousands to find any suitable sphere in which they can employ their gifts. No State which was economical would permit such a waste as this.

Some people fear the power of what they call officialism or bureaucracy under Socialism. Socialism will be democratic; the people will rule. If the democracy hands over its power to a bureaucracy, and permits that bureaucracy to tyrannise and oppress it, then Socialism will fail. Every system of democratic government will fail if the democracy will not trouble to look after its own business. Socialism rests upon the assumption that the people will be sufficiently intelligent and self-interested to exercise common sense and to protect themselves against autocracy. But this fear of officialism under Socialism springs from the knowledge we have now of the officialism and tyranny of capitalism. There will be far fewer officials under Socialism than we have to support and obey to-day. Competition must necessarily employ an enormous number of officials who would be unnecessary if there were co-operative organisation. It is said that there are 3000 railway directors in the United Kingdom. In the countries where the railways are State owned one Minister supplies their places. The National Telephone Company had a large board of directors. The Postmaster-General has merged all their duties into his own. If by officials the critics of Socialism mean men who are not necessary either for direction, production,

or distribution, then it is certain that there will be far fewer of such officials under Socialism. There seems to be a disposition nowadays to look upon every servant of a public authority as an official, though men who are in similar positions in private employment are not so regarded. The manager of a private gas company is not considered an 'official,' but when that concern is municipalised this same manager becomes an 'official,' and he then has to be looked upon as something quite superfluous and objectionable. If to-day there are in some instances more officials in the public service than are necessary, that is not the fault of the system, but of the democratic control which is not sufficiently strict. Every system is capable of abuse; the success depends upon the degree of interest that is shown in the management.

THE HOME AND THE FAMILY

In no respect has Socialism been more misrepresented by its critics than in its attitude to the family and the home. Sentences are torn from the context, words put into the mouth of a character in fiction which do not represent the views of the writer, the theories of early Socialists like the Saint-Simonites which have never been accepted by later Socialists, are used to convey the

impression that Socialism aims at the overthrow of family life, the abolition of marriage, promiscuity in sex relations, communism in wives and children, and at the establishment of a state of unbridled licence in all such matters. A leaflet is at present being issued by the Anti-Socialist Union depicting a man going round with a hamper to collect newly-born babes to put them into a State hospital, and telling the mother that she has no right to her child as it is the property of the State.

It would not be difficult for Socialists to meet this kind of misrepresentation by an exposure of the state of things which prevails to-day in regard to sex relationships, the sanctity of the home, and the felicity of family life. When Socialists are charged with a desire to break up the home they are tempted to refer to the thousands of men and women in this rich land who have not a roof to cover them, to the 40 per cent. of the families in the rich city of Glasgow who have to live, eat, sleep, and do everything in one room, to the hundreds of thousands of families in the United Kingdom where grown up men and women are promiscuously herded together at nights, to the tens of thousands of cases of married women who have to leave their homes and work all day in factories and at nights to

do all the domestic work of the 'home.' Or when Socialists are charged with a desire to break the marriage tie, and to establish promiscuity in sex relations they might point to the fact that a White Slave Traffic Act was passed in 1912 by the British House of Commons which is intended to deal in a moderate way with a gigantic traffic in the bodies of young girls for immoral purposes. They might mention, too, that in the debates in the House of Commons on this Bill one anti-Socialist member pleaded for the lenient treatment of the keepers of immoral houses on the ground that many husbands found it necessary to resort to such places, and another anti-Socialist member told of long rows of men waiting outside such houses. It might be mentioned also that the average number of divorce cases in the High Court is 950, and that there are 6500 judicial separations of married couples in England and Wales on the average every year. These figures, as every one knows, do not represent one tithe of the matrimonial failures under our present system. They take no account of the tens of thousands of married people who separate without any legal sanction, of the tens of thousands of deserted wives, nor of the still larger number of women who endure the torture of a loveless marriage because of their economic

subjection to their husbands. In America where capitalism is more highly organised, and where therefore its blessings are more widespread, there were 945,625 divorces between 1887 and 1906, which was about one in eleven of the marriages celebrated in the same period. It is not for the defenders of the present competitive system to criticise Socialism on grounds of morality and sex relationships.

The sex immorality, and the marriage failures of the present day are very largely the result of capitalism. Poverty and unemployment are admittedly the main causes which drive girls to prostitution. The Homes Commission Report which was presented to the United States Senate in the 61st Congress gave such revolting facts about prostitution in Chicago that by a vote of the Senate it was ordered that it should not be printed in full. From this Report the information is obtained that in Chicago—a typical product of capitalism—there were 10,000 prostitutes, and the gross revenue received from this immoral trade was £4,000,000 a year. One sentence from this Report must be given. It reads: 'It is a sad and humiliating admission to have to make at the beginning of the 20th century, in one of the greatest centres of civilisation in the world, that in numerous instances

it is not passion or corrupt inclination, but the force of actual physical want that impels young women along the road to ruin. Intimate contact in tenement houses is a predisposing cause to prostitution.'

There is no question of immediate practical reform to which Socialists attach more importance than to housing reform. They are interested in this question because of their desire for the welfare of the home and the family. Their demand for a minimum wage springs from a desire that the father may have more money to make home life brighter and happier. They denounce capitalism because it destroys the home and makes all the most sacred of human relations and functions matters of trade and barter. There is no Socialist of authority who does not hold the view that the family and marriage will remain as institutions under Socialism, though both will undergo a much desired transformation when the economic compulsion to women to sell themselves in marriage or into a loveless association is removed. Socialism stands for a pure and healthy sex relationship, for free marriage, and for a family life under economic conditions where husband and wife will be comrades too, sharing each others joys and sympathies in loving co-operation.

SOCIALISM AND RELIGION

Socialism is attacked, too, on the ground that it is antagonistic to religion. There are Socialists who are agnostics and atheists, just as there are Liberals, and Conservatives, and landlords and capitalists who are atheists and freethinkers. Socialism has nothing to do with a man's religious opinions. If there be one Socialist party in the world which might be expected to be purely materialistic it is the German Social Democratic Party, but that party has declared by resolution at its Congresses that religion is a private concern of the individual, with which Socialism in its corporate capacity has nothing to do. The vast bulk of the members of Socialist organisations in Great Britain are men who are connected with religious bodies, and there are Socialist organisations connected both with the Church of England and the Free Churches to which only adherents of these bodies are admitted. These religious men and women have been attracted to Socialism because they have become convinced that the existing economic order is anti-Christian, and that Socialism is seeking to establish an industrial and social order based upon the ethical principles upon which the Christian religion is founded. Though Socialism is not concerned about

theological doctrines, nor about the problem of a future life (these being matters of individual concern), it is claimed by Socialists that, in the best sense of the word, Socialism is a practical religion, for it is trying to establish the kingdom of 'right doing' upon earth and to overthrow a system of competition, and to put in its place one where it will be possible for men to live together like brothers.

CHAPTER XIV

SYNDICALISM AND THE SOCIAL MOVEMENT

The Social Movement since the early part of the nineteenth century has assumed many forms, but in each of its manifestations there has been one thing common to them all—namely, the idea that the poverty of the workers was due to the private ownership of land and capital. Communism, Socialism, Anarchism, Co-operation, Co-partnership, and Syndicalism all aim at giving the workers, in one way or another, a more direct interest in their work, and some share in the ownership of the business at which they work. Though in their policies and in their ideas these various movements differ so much as to

make them in many respects conflicting and opposing movements, there is in all of them more or less recognised the fundamental idea of Socialism—namely, the collective ownership of land and industrial capital. With the exception of Co-partnership, which is a phase of the Co-operative movement, the other phases of the Social Movement—Communism, Anarchism, Co-operation, and Syndicalism—are offshoots of the Socialist movement.

The Co-operative movement, which not only in Great Britain but on the Continent, has grown to be such a colossal trading concern, was started by disciples of Robert Owen, and it has always had for its declared aim the establishment of a state of society where the workers would own the tools of their trade and share in the control and management of the industry. In the preface to the *Manual for Co-operators*, written by the late Judge Hughes, K.C., it is stated that 'the aim of the English Co-operative Union is, like that of Continental Socialism, to change fundamentally the present social and commercial system. Its instrument for this purpose, as well as theirs, is association. Here, however, the likeness ends. Our co-operators, thanks to their English training, do not ask the State to do anything for them, beyond giving them a fair field,

and standing aside while they do their own work in their own way. They want no State aid—they would be jealous of it if it were offered. They do not ask that the State shall assert its right, and reclaim all land and other national wealth for the benefit of all; they want no other man's property, but only that they shall not be hindered in creating new wealth for themselves.'

That statement fairly represents the attitude of the co-operators of a generation ago to Socialism; but in recent years the Co-operative movement has undergone a considerable change, and most of its leaders to-day realise that voluntary co-operation can never achieve the co-operative ideal of 'the elimination of the competitive industrial system, and the substitution of mutual co-operation for the common good as the basis of all human society.' In those words the ideal of the Co-operative movement was described in an official publication [1] of the Co-operative Union issued in 1904—twenty-three years after the issue of the *Manual* by Judge Hughes. The Annual Congresses of the Co-operative movement are now concerned largely with political matters, and the question of the direct representation of co-operators in Parliament has often been considered. The co-operators of to-day see

[1] *Industrial Co-operation*, by C. Webb, page 2.

that industry has assumed such a form, and the unit of private capital has become so large, that if the principle of co-operation is to be applied to such industries it can only be by means of the State or the municipality. In July, 1900, Mr W. Maxwell, the President of the Scottish Wholesale Co-operative Society, gave evidence before a Committee of the Lords and Commons on Municipal Trading. He had been appointed to do so by the Parliamentary Committee of the Co-operative Union. His evidence was a powerful plea for the extension of municipal trading; and in reply to a question as to the effect which the extension of municipal trading might have on co-operative trading he said, 'I would like to express my opinion (which I believe is the opinion of the Parliamentary Committee I represent here and of the leading co-operators) that it is only an extension of the same principle—of the people doing for themselves what other people have been doing for them; and if the municipality could carry it on better than the co-operatives they would be willing to withdraw if it were changed to the municipality.' It might be fairly said that the Co-operative movement of Great Britain to-day, while believing, and rightly believing, that there is still a vast field of opportunity for voluntary co-operation, is with the Socialists in looking

to the State and municipality to eliminate competition and to substitute co-operation in the great industries and monopoly services. On the Continent, the Co-operative movement and the Socialist movement are practically identical. In Belgium particularly, where the Co-operative movement is very strong, there is the closest connection between the two.

There is a very close affinity between Anarchism and the older school of Co-operators whose ideal was expressed in the words quoted from Judge Hughes. Anarchism is popularly regarded as a movement for the overthrow of society by revolution, and one whose only weapons are the bomb and dynamite. But there are two schools of Anarchists, and they are distinct in their doctrines and methods. There are the Individualist Anarchists and the Anarchist Communists. The Individualist Anarchists do not believe in the use of force, on the ground that 'Liberty is the mother of order.' This school believes in the abolition of the State, and of all repressive laws which interfere with the full liberty of the individual to do anything which is intrinsically ethical. The State is defined as 'the embodiment of the principle of invasion in an individual or band of individuals, assuming to act as representatives or masters of the entire people within

a given area.' These Anarchists are not opposed to organised protection and resistance to crime and aggression, but they want full freedom for the individual to do as he wills provided he does not interfere with the equal freedom of others. This is really the political doctrine of the Jeffersonians and the Manchester school. The Anarchists would have no compulsory public taxes, no compulsory education, no interference with individual action in trading, no regulation of hours of labour; in fact, none of that repressive and invasive legislation which is now the main work of Parliaments. They do not deny the advantages of co-operation, and heartily favour it when it is voluntary and free, that is when individuals freely come together and exercise no compulsion upon their associates. There is little, if any difference, between the Philosophic Anarchists and the Spencerian Individualists. The Single Taxers, also, belong to this school of Anarchists, though they differ from it in so far as they would impose compulsory taxation on landowners, but they would do that in order to open the way for free competition, which they assert will, if legal monopolies are abolished, afford the greatest measure of individual liberty. The Philosophic Anarchists are opposed to violence as a means of overthrowing the existing

State. They trust to education. Their weapon of defence is passive resistance. They believe that when education in Anarchist doctrines has converted a considerable minority to those views, a passive resistance of all repressive and invasive laws would succeed in liberating that minority from governmental interference.

The Anarchist Communists, of whom the most distinguished is Prince Krapotkin, agree with the other school in repudiating the State. They assume a race of individuals who will be moral from habit, and who will need neither compulsion nor restraint to do the right thing. 'Men are to be moralised only by placing them in a position which shall contribute to develop in them those habits which are social, and to weaken those which are not so. A morality which is instinctive is the true morality.' It is easy to draw up your scheme of a new society if you assume that all its members are going to be instinctively moral, and that all their habits will be social. This school of Anarchists would have production in common, and free consumption of all the products of the common labour. Production and distribution would be organised and carried on by groups and federations, the free organisation ascending from the simple to the complex. The deeds of violence which have been committed by

Anarchists have been done by men who belong to this school.

This very brief outline of the aims of Co-operation and of Anarchism has been introduced in order that it may be seen more clearly in what respects a movement which has recently come into some prominence in Great Britain is identified with other phases of the Social Movement. Through all the history of Socialism there have been occasional off-shoots from the main body, and these have usually taken the form of efforts to overthrow the capitalist system by some dramatic stroke, or to organise the workers for action on non-political lines. The present Syndicalist movement is the latest effort of this description.

The difficulty one experiences in attempting to understand the nature and the aim of Syndicalism is that there is no authoritative and definite statement of its philosophy or its policy or its aims by those who profess to accept it. Syndicalism is one thing according to one of its exponents and something very different according to another. We have no right to expect that such a movement will have definite and precise schemes for industrial reconstruction, but on those matters of general principle and broad policy which must be the foundation of a social movement there is no common agreement. At

times Syndicalism is advocated as anti-political, at other times as non-political, and still again as a combination of industrial action and political action. These are features which would be expected in a movement which is the outcome of disappointment, unbearable hardship, and very limited knowledge of economic theory and social history.

Bearing in mind that those who call themselves Syndicalists have as yet not clearly defined their own theories and policy, nor their attitude to other movements, we will now endeavour, within these limitations, to set forth its general aim and method. Since 1895 there has been a Syndicalist movement in France, but it is only within the last year or two that there has been such a movement at all in Great Britain, at least in this generation, though, as we shall show, it is the recurrence of a form of working-class agitation which has broken out at times ever since the early part of the last century, but each of such recurrences has spent itself in a brief period of vigorous effort.

Syndicalism has something in common with other phases of the Social Movement. It proposes that the control of production shall be exercised by the workers in the various industries—that is, that the railways shall be managed by the railway workers, the mines by the miners, the Post Office by the

postal servants, and so with regard to other industries and services. Syndicalists have now repudiated the claim that these industries shall be owned by the workers in the separate industries. The idea seems to be that there shall be a federation of the groups, and that the distribution shall be regulated in the interests of the whole body of producers by a general council representing the federated trades. This is the root idea of Syndicalism, and such a respectable organ of individualism and private property as *The Spectator* says of it that 'there is nothing whatever criminal in the essential idea. Apart from its methods, Syndicalism means no more than a form of co-operation.' *The Times* also finds nothing objectionable in the principle of Syndicalism. It says 'The root idea of Syndicalism —that of trade ownership and control—is not only unobjectionable but excellent. It was the parent of Co-operation, and will eventually be realised in co-partnership. It is by far the most rational and feasible form of Socialism.'

The fundamental difference between Syndicalism and Socialism is in their respective attitudes to the State. The Syndicalist, like the Anarchist, repudiates the State, and would make the social organisation of the future purely an industrial one. Syndicalism does not appear to have any

concern about those who are not workers,—presumably in the narrowest sense of that word. The primary object of Syndicalism is to organise all the workers in a trade into one union, and then to federate these unions into a national, and eventually into an international organisation. This form of association is the only one which Syndicalism recognises. The reason why Syndicalism would make the economic or industrial interest of the worker the bond of association with his fellows is that such a grouping is by the strongest tie which can be used for association. The things with which the workman is most familiar are those connected with his own trade. These things he can understand. No other possible grouping of individuals could bind them together with ties of self-interest so strong. Syndicalism condemns the present political methods and parties because they are not formed on the basis of the strongest of all personal interests, at least so far as the workers are concerned. In political parties men associate in a very loose way, and a great diversity of interests keep them together in a political party. A further argument in support of the trade basis of association is that the State is an abstraction the workman is not able to comprehend. It does not flatter the intelligence of the workers when it maintains that they

can only understand what they see in a concrete form, and what is a part of their everyday experience. In the philosophy of Syndicalism the community, as embracing all classes and all individuals, does not exist. In the Syndicalist organisation the whole interest and activity of the worker would be concentrated in his work. There is no place there for the individual who is not engaged in some occupation in which the workers can organise and collectively control their trade.

From this idea of the trade basis of all association naturally springs the hostility to the State which Syndicalism expresses. This was put into words by Mr Tom Mann, who is the only well-known exponent of Syndicalism in Great Britain, as follows:— 'I despise the law. I will do my best to bring it into increasing contempt, and I care not for the law nor its administrators.' There are other Syndicalists who do not take up such an utterly hostile attitude to the law and the State. In an exposition of Syndicalism in an official periodical called *The Syndicalist* it is admitted that 'during the transition period there can be no doubt that a group of revolutionary Socialists in Parliament has some value to the workers, especially in the control of local conditions.' As an illustration of the lack of definiteness

in the Syndicalist philosophy, both in Great Britain and in France, it may be mentioned that at the Congress of the British Railwaymen in October, 1912, an active Syndicalist moved a resolution in favour of more Labour representation in Parliament in order to secure an eight-hour working day by legal enactment. In France the help of the Syndicalist has been given to the agitation for a weekly rest-day, and the resolutions of the French Syndicalist Congresses are usually so framed as to permit of them being construed to allow Syndicalists to participate in political activity outside their own organisation.

All this coquetting with the capitalist State is in direct conflict with the essential principle of Syndicalism. The very beginning and end of Syndicalist philosophy is to confine the workman's attention to his industrial and trade condition, and to confine his activities to industrial organisation and the relentless prosecution of the class war. The danger which the philosophers of Syndicalism have seen in any connection with the State has been that if any amelioration of the lot of the worker was obtained by State aid it would weaken the workman's faith in industrial organisation and direct action. The attitude of philosophic Syndicalism to the State is not one of mere passive indifference to its existence, but of

active hostility to it. The State is the representative of the tyranny and oppression which Syndicalism aims at overthrowing by the direct action of the general strike.

It is further argued, theoretically, that nothing should be accepted from the State because no reform is worth having which is not won by the force of working-class solidarity. As a consequence of this idea the Syndicalists oppose State Arbitration and Conciliation in all its forms. This they do in theory, but in practice they are compelled to resort to such methods. This difference between Syndicalism in theory and practice is no reflection upon the honesty or intelligence of their theory and philosophy. It is simply an illustration of the impossibility of applying idealistic theories to unidealistic conditions. But in so far as Syndicalism does depart from its policy of relentless hostility to the State and direct action it is weakening its position by taking away the attention of the workers from the only method which, according to Syndicalism, can ever bring about the worker's emancipation.

Another reason why Syndicalism repudiates political methods is that politics are necessarily corrupt and demoralising. Reforms can only be obtained by political means by compromise with the enemies of the workers. Syndicalists point to what they say is the

universal experience of the workers associating with political parties. They lose their idealism, they begin to play the game of intrigue and diplomacy, they lose their class consciousness and imagine they are statesmen. It is impossible to maintain the revolutionary fervour at the highest temperature in the atmosphere of politics. Politics, too, must pay regard to other interests than those of the workers. Politics can only be carried on by the association of all classes; and the teaching of social unity and class harmony is, according to the Syndicalist, the most dangerous that can be given to working men. Such teaching blinds them to the otherwise obvious facts of everyday life. The relentless prosecution of the class war cannot be carried on if the workers are led to believe that there are social interests which are common to all classes.

A further argument which is used by the Syndicalists for preferring direct action (or the general strike) to political action is that it is much easier to get the workers to use the industrial weapon of the strike than to get them to vote solidly for economic reform. It is difficult enough, as every one knows, to get the workers to unite politically, but it is not in accordance with facts and experience to say that the workers do not

take an interest in political questions, and that they generally regard politics as something outside their lives and interests. The working men may not in a large measure look on politics as Socialists would like them to do, but it is against all experience to say that they take less interest in politics than they do in industrial organisation. It is quite a reasonable supposition that it ought not to be so, but as a matter of fact it is. The workman's trade and occupation is the thing that one would expect him to be most concerned about, but vast numbers of workmen give far more attention to outside matters, including politics, than they do matters affecting their interests as workmen and craftsmen. It is true that it is easy to get men to strike for some very meagre demand, easier than it is to get them to vote solidly for a much greater demand, but all this has little really to do with the method of Syndicalism, the important point being not whether it is easier to get workmen to organise industrially than politically, but whether industrial organisation only can achieve the aim of the Syndicalists—that is the expropriation of the capitalists and the assumption of the control of industry by the organised workers.

This attitude of Syndicalism to the State and to political action is what makes it

fundamentally different from Socialism. Socialism accepts the idea of the State. It seeks to gain the control of the State by a political democracy which will use the powers of the State to establish an industrial democracy in which the workers of each trade will have a reasonable amount of influence in controlling their own conditions, but in which the serving of the common interests of the community will be the supreme concern. The experience of history is all against the Syndicalist in his repudiation of political action. It is all on the side of the Socialist who maintains that the workers must emancipate their class by political means. Every class in history which has emancipated itself has done so by political means.

CHAPTER XV

THE PHILOSOPHY OF SYNDICALISM

A SHORT statement of the aim and method of Syndicalism is contained in the resolution passed by the Congress of the French General Confederation of Labour at Amiens in 1906. This body is a Syndicalist trade union federation, and is the largest and most active Syndicalist organisation in existence. The

moderate and extreme sections of the movement came into conflict at this Congress on the question of co-operation with the Socialists. It was urged by the moderate section that it would assist the trade union syndicates to gain measures of amelioration of working-class conditions if they established permanent relations with the Socialists. It was further urged that if the Syndicalists could succeed at an early date in creating the revolutionary situation they would not, with their present organisation, be able to regulate production and distribution, and would be compelled to use the machinery of government, in which the assistance of the Socialists would be of the greatest value. When the vote was taken the political Syndicalists were overwhelmingly defeated, the figures being 724 votes against, and 34 for, with 37 blanks.

But the anti-political sentiment in the Congress was not so strong and self-confident as might be inferred from these figures. The resolution which was finally adopted (by 830 votes to 8 is a very clever effort to placate all sections, and to give to each some authority to follow its own inclinations. The resolution, though long, is so important as a statement of the aim and methods of Syndicalism that it is worth quoting practically in full.

'The Confederation General of Labour

(known as the C.G.T.) groups, independent of all political schools, all the working men who are conscious of the struggle to be carried on for the disappearance of the wage system. . . .

'The Congress considers that this declaration is a recognition of the class struggle which, on an economic basis, places the working men in revolt against all forms of exploitation and oppression, material and moral, put into operation by the capitalist class against the working class.

'The Congress makes this theoretic affirmation more precise by adding the following points :—

'With regard to the everyday demands, Syndicalism pursues the co-ordination of the efforts of the working men, the increase of the working men's welfare through the realisation of immediate ameliorations, such as the diminution of working hours, the increase of wages, etc.

'But this is only one aspect of its work; Syndicalism is preparing the integral emancipation which can only be realised by the expropriation of the capitalist class; it commends as a means to this end the general strike, and considers that the syndicat (*i.e.* the trade union) now a group of resistance, in the future will be the group of production and distribution, the basis of social organisation.

'The Congress declares that this double task of everyday life and of the future follows from the very situation of the wage earners, which exerts its pressure upon the working class and which makes it a duty on all working men, whatever their opinions or their political and philosophical tendencies, to belong to the essential group which is the syndicat; consequently, so far as individuals are concerned, the Congress declares entire liberty for every Syndicalist to participate, outside of the trade organisation, in any forms of the struggle which correspond to his philosophical or political ideas, confining itself only to asking of him, in return, not to introduce into the syndicat the opinions which he professes outside of it.

'In so far as organisations are concerned, the Congress decides that in order that Syndicalism may attain its maximum of effectiveness, economic action should be exercised directly against the class of employers, and the Confederal organisation must not, as syndical groups, pay any attention to parties and sects which, outside and by their side, may pursue in full liberty the transformation of society.'

Although this resolution states in very general terms the aim of Syndicalism, it is mainly a declaration of policy and method. In all movements it is not the far-away object

which excites controversy, but the methods which are to be pursued to-day. By a close examination of the declarations in this resolution a very useful and fairly complete idea can be obtained of the Syndicalist philosophy and method. The form in which the declarations are made is quite as instructive as the matter of them. The resolution shows what the Syndicalist aim in its fullness is, and what its policy would be if it were free to adopt it and carry it out in its purity and without regard to the conflicting influences which determine men's actions. The aim of Syndicalism is stated to be the expropriation of the capitalist class and the disappearance of the wage system. The means to that end is the general strike, which is to give the unions the control of production and distribution and transform them from being groups of resistance into groups for the management of production and distribution. The general strike is the central idea of Syndicalism.

The portions of the resolution quoted which are of most interest to the student or critic of Syndicalism are those dealing with political action. What these declarations amount to is that though the syndicats, as syndicats, are to remain independent of all political parties, and are to pay no attention to any other bodies which are working for the transformation of society, every

individual member of the syndicat is to have full liberty to belong to any organisation he likes, and to be free to take part in the work and adopt the methods of that organisation. Such individual liberty as this is utterly at variance with the desire of Syndicalists to bring the State into disfavour. It is also an admission that there is some doubt in the minds of the Syndicalists as to the all-sufficiency of the general strike as the means of emancipation. The success of Syndicalism depends altogether upon the concentration of effort upon two things—the aim (which is the trade union control of industry), and the method (which is the general strike). If the attention or effort of the workers is diverted to other ideas and methods then Syndicalism is weakened. The revolutionary fervour which must inspire the action of Syndicalists cannot be maintained if there is the least diffusion of interest and effort. The Syndicalist who, while independent of all other parties as a Syndicalist, is associated with politics as an individual can never be the material out of which the men will be made who are going to overthrow society by the general strike. The everyday demands of which the resolution speaks, such as reduction of hours, increases of wages, must not be won by legal enactment or voluntary negotiations. If they are,

they are ruinous to the Syndicalist policy. They must, according to true Syndicalist philosophy, be wrung from the capitalists by the power of the workers exerted through the strike. Success by the strike is a triumph of the workers alone; a concession made by Parliament is a humiliating gift. The lesser strikes for shorter hours and higher wages are a training for the final general strike which is to transform society. But if a Syndicalist exercises the liberty which is given to him to belong to other organisations and to adopt other methods, he must be participating in enterprises which are opposed to Syndicalist ideas and policy. The resolution was intended to leave Syndicalists free to work, outside the syndicats, with Socialists in political agitation. Such freedom is not only incompatible with Syndicalist principles, but active co-operation between Syndicalists and Socialists in political work is really impossible.

The resolution of the French Congress gives a freedom outside the syndicat (or trade union) which is exercised by Syndicalists to a considerable extent. In Great Britain there is not, as there is in France and America, any trade union which has accepted Syndicalism. There is no Syndicalist party in Great Britain. There is no Syndicalist organisation beyond a very small body which

is known as the Syndicalist Education League. There are individuals inside some of the trade unions who have leanings towards Syndicalism, but the weakness of the movement in Great Britain is so extreme as hardly to entitle it to attention were it not that new social theories are always entitled to consideration, and were it not that this movement has exercised very considerable influence upon the industrial life of France. During the labour troubles in Great Britain in 1911-12 Syndicalism attracted a great deal of public attention, and the strikes were popularly regarded as evidences of the conversion of the British trade union movement to this new philosophy. Nothing could be farther from the mark than such an impression. The strikes of this period were not at all a new feature in British industrial life. There have often been times of labour unrest quite as widespread. If some of the Labour disputes of 1911-12 were on a rather wider scale than formerly that was due to the fact that capital is now federated nationally, and it fights as a national unit; and labour has been obliged to adopt the same method of national organisation. But the federation of the miners in a national organisation, and the federation of the transport workers in like manner, had not been brought about because the leaders of the men

had got Syndicalist ideas about the need for a national organisation of labour. The closer federation of trade unions in Great Britain has been advocated for a great many years. Trade Union Congresses have passed resolutions favouring such closer union. There exists, and has done for more than a dozen years, a General Federation of Trade Unions.

This desire for closer federation among British trade unions has sprung from very obvious causes. It has long been manifest that there was much overlapping, that there were too many unions catering for the same class of workmen, that the competition of such unions for members led to undesirable results and greatly weakened their fighting strength and their power for effective negotiations. The federation of employers embracing a whole trade, and often a number of allied trades, made it manifestly impossible for labour to meet the capitalists on anything like equal terms when there was not an equally comprehensive union among the men. The idea has been growing that the day of the small, isolated strike had passed, and that the labour struggles of the future would be on a national scale. Experience has taught the trade unionist, also, that as the employers used the sympathetic lock-out to aid one of their number who might be attacked, so it was necessary that labour

should be in a position to declare a sympathetic strike. But that could not be done unless there was a close federation or bond between all the organised workers in a craft. These are some of the reasons why the British trade unions have been aiming for years at closer federation. This is quite on the lines of the Syndicalist idea of a general union of the workers, but it is quite without foundation to assume that this movement in British trade unionism had anything at all to do with the Syndicalist aim of organising for a social general strike in order to overthrow the capitalist system.

The strike has always been the first weapon of trade union defence. The strike has grown in magnitude as the unit of capital has become larger, and as the federation of capital has become closer. But the strike has never been conceived by British trade unions as a weapon for effecting a revolutionary change. Strikes in this country have always been for extremely modest demands. There has been no change in the trade union conception of the place which the strike may take in the industrial struggle. The only success which Syndicalism has had in Great Britain has been obtained by appealing to the trade unionists with arguments which are familiar to them, and which are accepted by trade unionists. The

Syndicalist propaganda has been adroitly conducted. It did not for some time show any hostility to political action and labour representation in Parliament. It began by pointing out that political action was not sufficient, that industrial organisation was the first important step. It confined its appeal to advocating industrial organisation for the reasons which every trade unionist accepted. For some time nothing was said about the aim of Syndicalism, the talk was all about industrial organisation and shorter hours and higher wages. These appeals met with general support for the simple reason that they went no farther than the ordinary trade union programme. But when the aim of the Syndicalist became known the trade unionists repudiated sympathy with it by the practically unanimous vote of their Congress.

Though there are some points of resemblance between trade unionism and Syndicalism, there are fundamental differences in aim and in method. The points of resemblance are that each believes in the organisation of the workers in their trades; each believes in the close federation of the trade unions ; each believes in the use of the strike to get ameliorative reforms; each believes in trusting to the power of industrial organisation and not to the State to get better wages.

But on the other hand there are fundamental differences between trade unionism and Syndicalism. Trade unionism does not repudiate the State; it believes in using Parliament for ameliorating industrial conditions; it sends its representatives to Parliament to promote labour interests; it looks for its economic emancipation by the use of political power; it does not believe in the omnipotent power of the strike; on the contrary it seeks whenever possible to avoid the strike and tries to settle disputes by voluntary negotiation; it believes in preparing for a strike by amassing reserve funds, whereas Syndicalism teaches that the strike should be spontaneous, unpremeditated, and that the workers should feed during its continuance on their revolutionary enthusiasm; trade unionism concerns itself with questions affecting the workers, but not directly connected with their work; it encourages workmen to become efficient, and associates with the employers in various schemes for improving the technical skill of the men. In all these respects trade unionism differs from Syndicalism. One other point of similarity between trade unionism and Syndicalism which may suggest itself from the experience of the great strikes of the railway men, the miners, and the transport workers in 1911-12 is that in these strikes the trade

unions tried to 'hold up' the community in order to force Parliament to interfere on their behalf. In the case of the miners there was no desire on the part of the leaders to obtain the help of Parliament, in the other two cases there was; but while it may be true that in all these strikes the men relied for success mainly on the inconvenience they could cause the public, they had not the Syndicalist notion in their heads of forcing the owners to surrender their concerns to the workmen. Though the irritation strike may be a weapon both of trade unionism and Syndicalism that does not make the movements identical. It is the aim which tests the similarity, not the method, as the same method may be used for very different objects. A remarkable illustration of the vital difference between the two movements was furnished by the miners, who immediately after the strike of 1912 set to work to draft a Parliamentary Bill and to start a national campaign for the State ownership of the mines, proposing not to expropriate the existing owners, but to give them full compensation for their property.

These remarks about the points of resemblance and points of difference between trade unionism and Syndicalism refer more particularly to Great Britain, but they may

be said to apply to trade unionism in other countries with the exception of those French trade unions which are definitely Syndicalist, and one or two American trade unions which have associated themselves with an American Syndicalist organisation known as the Industrial Workers of the World. The Syndicalist movement is strongest in France, where about one-third of the trade unionists are affiliated to the Confederation of Labour which is definitely Syndicalist. In 1910 the number of trade unions in France was 5260, with a total membership of 977,350, and of these 3012, with a membership of 357,814 adhered to the Confederation. The history of the French Confederation of Labour is practically the history of Syndicalism. This Confederation of Labour was formed in 1895. For twenty years before that time there had been constant conflicts between the various sections of the Social Movement, the main cause of the contention being differences of opinion on the respective merits of political action and the general strike. An amalgamation of several bodies was formed in 1895 under the name of the General Confederation of Labour. It was not at first a Syndicalist body, though the general strike was in its programme; but the general strike was for trade union and not for revolutionary purposes. In 1901 the

General Confederation entered upon its revolutionary career, and definitely associated itself with the Syndicalist idea. Though at a later period a number of intellectual men became connected with the French Syndicalist movement, and though these men have given to the movement a literature and a philosophy, it seems to be the fact that their influence upon the movement has been very little. These men did not start the movement, and they have not provided the material upon which the popular agitation has been carried on. The movement was purely working-class in its inception. Its popular leaders were working men, and the movement fed upon the experience of working-class life. In some quarters a good deal of importance is attached to the influence which three 'intellectuals' have had in advancing the Syndicalist movement in France. These men are Sorel, Berth, and Lagardelle.

The most valuable contribution which Sorel has made to Syndicalist philosophy is his justification of the general strike. He claims that the general strike idea is a great organising and educating force. This general strike idea is a 'social myth,' a sort of ideal which inspires for immediate action in the hope of attaining the ideal. It gives something to hope for, to struggle for. It is identical with the promise of eternal happiness

as a compensation for the ills of this life, with the faith which inspired the Crusaders, with the belief in national destiny which has led men to attempt great deeds. The general strike represents to the workmen's imagination the great act which is to bring the age-long hoped for deliverance of the workers from toil and poverty. The great emancipation which is to come from the general strike makes men indifferent of suffering in preparatory struggles, for these are making them all the fitter to take their part worthily in the great final struggle. The general strike idea heartens men for the class struggle, and makes them bear with grim toleration the evils and oppression of the present in the consciousness that the day is coming when the workers will rise and overthrow their exploiters and oppressors. The morality of the general strike is defended, for these reasons—namely, that it is keeping alive men's faith in the near coming of a new social order which will be free and happy, and that the general strike by a sudden stroke is going to end the suffering and misery of the present.

Sorel claims that his Syndicalist theories are but the development of Marxian ideas. Some such claim is made by the British Syndicalists. Sorel claims to have adapted the ideas of Marx in accordance with the

experience of economic and social development since Marx. Sorel accepts the teaching of Marx that Socialism is to be developed out of the existing capitalist system, and that the next order can only be established when the time is ripe and when all the conditions for establishing it have been prepared. But Sorel emphasises the point that the preparation is not merely in the industrial system, but in the capacity of the workers to assume the control of the prepared industry. Hence he lays great stress upon the moral education of the working-class, and he sees in the trade unions the means for giving the workers that education. The trade unions develop the intelligence and organising capacities of the workers. These are purely working-class organisations, and the workers are left to manage their own affairs without the assistance or interference of others. Sorel attaches great importance to the technical training of the workers, so that they will be qualified to conduct the work of production in a scientific way. Unlike the popular Syndicalists he insists upon the necessity of the workman being honest, and painstaking, and industrious in capitalist employment, for the reason that any other line of conduct would be detrimental to the moral development which will be needed for the future Syndicalist order. Other

features of the teaching of Sorel are his strong anti-political ideas; his criticism of democracy, which is in effect an attack upon the representative system; and his advocacy of violence as an instrument of progress. He does not advocate the destruction of property and the shedding of blood, but suggests that the working-class should carry on the class struggle 'similar to armies in a campaign,' harassing the capitalist at every point, and convincing him that there can be no social peace until he is expropriated.

The teaching of the other 'intellectuals' of Syndicalism does not differ fundamentally from that of M. Sorel. M. Lagardelle dissents from the ideas of M. Sorel on two rather important points—namely, in regard to modern democracy, and the place of a political Socialist party in the community where industry is under trade union control. He thinks that there will be a need for such a party to attend to those matters of social necessity which are not directly connected with production and distribution. Arturo Labriola, the brilliant Italian Syndicalist, has considerably modified his views in the last year or two, and about the beginning of 1912 he wrote 'that if the Italian Socialist party were not so hopelessly divided there would be no reason why the Syndicalists

should not work along with them.' With the exception perhaps of Labriola, these intellectuals of Syndicalism have been quite aloof from the popular movement. In his work on *Revolutionary Syndicalism* (the only exhaustive work on the subject in English) Dr Levine shows how little these writers have contributed to the policy and ideas of Syndicalism as represented by the General Confederation of Labour, and quotes the admissions of M. Sorel and M. Berth to support that conclusion. It would indeed be an amusing commentary on the Syndicalist movement if it had to rely for the intellectual justification of its theories upon men who do not belong to the working-class. It should be mentioned that M. Sorel has renounced his Syndicalist ideas. In December, 1910, he wrote to the Italian Syndicalist Congress that 'Syndicalism has not realised what was expected from it. Many hope that the future will correct the evils of the present hour; but the author feels too old to live in distant hopes.' What these writers have done is to supply intellectual arguments for the aim and policy which the working-class Syndicalists had evolved from their own knowledge and experience.

CHAPTER XVI

THE GENERAL STRIKE IDEA

The idea of a general strike is not for the first time put forward by the Syndicalists. Neither in this, nor in its idea of an industrial commonwealth controlled by the producers, is Syndicalism original. Going no further back than the Congress of the 'International' at Geneva in 1866, we find the idea put forward that special strikes could never do any permanent good, and that it was desirable to organise international strikes. The international strike was first suggested as a means of preventing war, and that idea still finds support among many workers' organisations who have no sympathy with Syndicalism. At most of the International Working Men's Congresses held since 1889 a resolution in favour of the use of the general strike as an industrial weapon has been moved. The Belgian Socialists called a general strike in 1902 for universal suffrage, and in 1912 they were seriously considering a second one for the same object. The general strike idea is not the monopoly of the Syndicalists.

But while the general strike is a reserve weapon in the hands of trade unions and some other bodies, to be used possibly for some special purpose, it is the central idea in Syndicalism. At first it was thought that the general strike might take the form of the workers simply ceasing work and sitting with folded arms. This, it was innocently assumed, would almost immediately bring the starving capitalist class to their knees begging the workers to take over the means of production. But it is now admitted that the course of the general strike would not be quite so peaceful, nor its continuance so brief. The possibility of resistance on the part of the capitalists, backed up by the armed forces of government, is now admitted; but still there is no weakening of the belief that the workers would after a brief and sanguinary conflict overturn society. It is difficult to treat the idea of achieving the emancipation of the workers by such a method as a general strike at all seriously. The Syndicalists have that faith in abundance 'which laughs at impossibilities and cries it shall be done.' The general strike is advocated because there is no hope whatever of getting the workers to unite in sufficient strength politically to bring about a peaceful transfer of property by legislative act. But the Syndicalist has no

doubt about getting the workers to unite for the general strike. The Syndicalist rejects political action, for the reason, among others, that the capitalists would never surrender their property in obedience to an Act of Parliament. But Syndicalists have no doubt at all that they would quietly accept their expropriation, and the new industrial order which the unions established as the outcome of their victory in the short general strike. When the difficulty of securing enough unity among the workers to justify a general strike is mentioned, the Syndicalist is ready with the reply that it is not necessary to have a majority of workers who are ready for the final strike. All revolutionary acts, it is said, are devised and organised by the 'conscious minority,' and the majority are swept into the revolution by the influence of infection.

The advocates of the general strike have never shown a proper appreciation of the enormous difficulties in the way of such a strike being successful. They have assumed a working-class unity for which there is no support either in experience or probability. They have never measured the strength of resistance of the middle and upper classes. It is only recently that they have given any thought to the use which would be made of the military to subdue any revolutionary

rising of the workers. They are now hoping by propaganda among the soldiers to undermine their allegiance to the State, so that the army will join in the revolution. They have counted too much on the public inconvenience which would immediately result from a general stoppage of work. The miners' strike of 1912 was a great disillusionment in that respect. It revealed resources possessed by the community which had never been imagined. It had been confidently asserted that a general strike of miners would paralyse the whole country in a week or two at the most. Something of the same sort was predicted as the result of the strike of transport workers, but the long strike of the London dockers in 1912 caused no inconvenience of which the general public was aware. In every general strike which has taken place it is the workers who have suffered most. So it would be in the general strike which is the dream of the Syndicalists. A general strike which was begun unexpectedly, as in the case of the first postal strike in Paris, might very conceivably wring concessions. But it would simply teach the capitalists and the community to be prepared for the next. The second postal strike was a signal failure for that reason.

Experience does not support the Syndicalist contention that the special strike encourages

the workers' faith in that method,and increases their revolutionary zeal. The very opposite is the fact. The transport workers won certain advantages by the strike in the summer of 1911, but when a year later the London transport workers came out on strike to maintain the advances, the transport workers at the other ports refused to make common cause with them, and left their fellow-workers to be beaten to the dust. All industrial experience has shown that the strongest argument against the strike is the strike itself. In the words of the German Social Democrats 'the General Strike is General Nonsense.'

An alternative to the general strike as a means of expropriating the capitalists has been suggested by some Syndicalists. That alternative is the adoption of a policy of special strikes for shorter hours and higher wages (each of which it is assumed will be successful) until all the profits of the capitalists have been absorbed in wages, when he will be glad to surrender his property. With this policy, it is suggested, there should be combined the practice of reducing the output, and in every possible way increasing the cost of production.

But Syndicalism is not to be condemned solely because of its methods, and of the unlikelihood of such methods ever being

successful. We must look beyond the methods and see if the object is one to be commended. Disregarding for the moment the method by which the control of production and distribution by the trade unions is to be obtained, we may consider whether such a control of industry is practicable and desirable. The idea of Syndicalism, as has been already stated, is that each industry should be owned and controlled by the workers in it, but that the product shall become the property of the whole body of organised workers, who according to the Syndicalists constitute the community. The postal servants will manage the post office, the railway men the railways, the miners the mines, the cotton workers the cotton mills, and so on. There seems to be some idea that while the workers in each mill or mine will control the processes and discipline in the particular mill or mine, there will be a central board of management for each industry which will exercise a general supervision over the whole trade by way of regulating the output. All trades are to be represented by delegates to a General Council, whose work will be mainly concerned with the distribution of the product. It should be mentioned, however, that the Syndicalists have not formulated any scheme of organisation for the day after the revolution. It is part of their philosophy not to lay plans

ahead. Action should be spontaneous; men should act on their impulses; the instinct of the mob will always lead them to do the right thing. Only in the most general way has any information been given as to the plan of industrial organisation under Syndicalism. The intellectual leaders of Syndicalism have strongly deprecated what they call 'schematising.'

It is quite evident, however, that the scheme which the Syndicalists have at the back of their minds is not only an utterly impractical one, but one which if realised according to their ideas would not abolish the wages system and would not make the workshop a self-governed institution. The Co-operative Movement has always had before it the ideal of the workers managing industry, but it has found it to be altogether impracticable. The system of giving the workers a share in the profits has been found to work with more or less success, but in co-operative production the management has had to be on precisely the same lines as in private concerns—namely, entrusted to individuals who had the necessary technical knowledge and directive ability. It requires little imagination to conceive the chaos which would immediately result if the management, say of a coal mine, were in the hands of all the thousand miners working

in the pit. Syndicalism could not escape from an elaborate organisation. Though it does not recognise the need for directive skill, nor for individuals with exceptional technical knowledge, it could not run its workshop a single day without delegating functions to individuals who would have to exercise disciplinary powers over bodies of workmen. Unless the miners are going to live on coal, and the cotton weavers on cotton cloth, there would have to be an elaborate system of exchange values, and this would necessitate the maintenance of the wages system. Two of the evils which Syndicalists see in the present system would not be eliminated in the industrial order they want to set up—namely, the submission of the great body of workmen to the authority of managers and directors, and the payment of wages which do not represent the full value of the workers' product. It may be argued that the workmen would elect their managers and directors, and would have the power to dismiss them. But if the workmen's control over the management was limited to electing and dismissing managers, it would be but a mockery of the power which Syndicalism promises the workmen.

The only possible way of securing economical management of industry is to employ

the best available directive ability and technical skill. These are not, and never will be, qualities to be found in equal measure in all individuals. Any departure from that sound business rule could only result in a falling off in output and an increase in the cost of production; and where the workers owned the business they themselves would be the sufferers. The right of each workman to share directly in the management of the business at which he worked could only be exercised where the business was small, and where the product was not intended for a competitive market. Even in such circumstances it could only be exercised under great risks. Neither Syndicalism nor any other system can ever get away from the necessity of delegating powers to representatives. The system of representation which would have to be instituted when the trade unions owned all the productive industries would be more objectionable in every respect than that which Syndicalists now condemn in connection with national and local administration.

Many other difficulties in connection with the Syndicalist idea occur to one's mind, but these need not be considered here. There are, for instance, such questions as the right of entry of workmen into a trade, which must be something of a close

corporation unless all the desirable occupations are going to be flooded with labour; the question of the treatment of indolent and incompetent workmen and the dismissal of such; the pooling of wages between normal and abnormal working places; the fixing of the exchange value of products which have involved varying amounts of time and labour in production; the safeguards against restriction of output in certain trades which produce a vital necessary; the question of foreign trade under Syndicalism; of credit, and such matters as banking; the method of distribution if the wages system has been abolished; and the satisfaction of the desires and tastes of the consumers when all production is regulated by trade union boards. It may be answered that these are details which will settle themselves when the time comes. But they are not details. Socialism has had to face all these problems, and it is prepared with an answer to all these questions; and all these are difficulties immensely greater under Syndicalism than under Socialism.

Although Syndicalism as a scheme of industrial organisation is utterly impractical and undesirable, the Syndicalist movement has rendered considerable service to the Social Movement by directing attention to,

and emphasising, points which Socialism had rather ignored. The outstanding features of Syndicalism are the revolt of the workers against three things—the exploitation of their labour by capitalism, the tyranny of Parliamentary Government, and the slavish subjection of the workers to those who control industry and commerce. The desire that the workers should control their own labour and the conditions under which it is employed is a very worthy desire. There is no more serious count in the indictment against capitalism than that it has destroyed the interest of the workman in his work, reduced him to a mere machine, taken away from him the incentive to do good work and to suggest and apply his mind to improving processes. There is a tremendous loss of productive power in all this, as well as the destruction of mentality and self-respecting manhood. By some means or other an industrial system must be devised which will give the workman a direct interest in his work, which will give him the maximum amount of control over his labour consistent with the maintenance of the maximum of efficiency of production. This is the great fact which Syndicalism has emphasised. Its proposals for realising the needed change may be fantastic and impractical, but they spring from a true impulse and a justifiable

discontent. Socialism has been so much concerned about the community that it has neglected the individual to some extent. Syndicalism comes to urge that aspect of the social problem.

The industrial freedom of the workman may be secured broadly by four methods concurrently carried out. The granting of the fullest freedom inside the State for the free association of individuals in co-operative concerns; the reduction of the hours of labour in necessary work to the lowest point so as to leave the individual with ample leisure to follow the bent of his own tastes; the complete organisation of the workers in all trades so that they may be strong enough to exercise a reasonable control over their conditions of work; and the greater use by the workers of the machinery of local government for regulating the conditions of their life and labour. By combining all these methods in connection with the management of publicly-owned industries and services the largest measure of democratic control and individual freedom may be obtained. One of the greatest mistakes of Syndicalism is that it considers industrial organisation from the point of view of the producers only. There is the danger of giving undue consideration to the interests of the consumers. The well-regulated

community will give to each interest its due consideration.

This idea of the self-governed workshop is not an original idea of the present-day Syndicalists. Robert Owen in 1833 put forward ideas which are almost identical with those which the Syndicalists are now propagating. For some time before Owen advanced these proposals there had been a great increase in trade union membership, and the unions had been formed into a loose federation. Owen then conceived the idea of a 'General Union of the Productive Classes.' His scheme was to include all the working-classes in a great organisation; that each department would manage its own trade, but would be acquainted with what was going on in other departments. There was to be a National Council for carrying on the great manufactures. To carry out this idea of Owen's he formed a 'Grand National Consolidated Trades Union,' which made enormous progress for a time, but eventually collapsed. The two main ideas of present-day Syndicalism—the organisation and federation of the workers and the control of industry by these unions—were put forward by Owen, and they met with an enormously larger response in his day than the revived ideas have commanded in our time.

Periodically, ever since Owen's day, there have been expressions of disappointment by sections of the workers with the slow progress by political methods. The extraordinary growth of trade unionism about 1833–4 was really the outcome of disappointment with the results of the extension of the franchise in 1832. The whole history of the working-classes during the nineteenth century is a record of alternate reliance upon political action and industrial action. Disappointment with the results of strikes has sent the workers back to the political method; a short experience of that has brought disappointment ; again, this has been followed by a period of industrial activity. In that way the workers have gone from the one method to the other. The present Syndicalist movement in Great Britain is due to the fact that a new generation of trade unionists has grown up who know nothing from their own experience of the former failures of the methods they advocate; to disappointment because a Labour Party of forty members in Parliament have not established the millenium in six years; to the increased difficulty of living owing to increased cost of commodities; and to the attraction which dramatic action always has for youth and inexperience. The Syndicalist movement in Great Britain is popularly supposed to be

represented by the labour unrest manifested in the strikes of 1911–12. That, as has been pointed out, is not the case. The organ of the British Syndicalists says on this point that of the leaders of those strikes few had ever pronounced the word Syndicalist, and not five per cent. of them knew what the term meant. By the middle of 1912 the labour unrest had largely subsided, and the Syndicalist movement in Great Britain, which in the favourable conditions of 1911 made no real impression on the trade unionists, has already practically joined the previous similar outbursts of working-class impatience which are now only historic incidents.

In spite of the gusts which have periodically disturbed the surface, the main current of the Social Movement has swept on, and has gathered volume on its course as tributary after tributary has joined the main stream. That main stream of the Social Movement is Socialism, to which we now turn to express one or two further views upon it.

CHAPTER XVII

THE HOPE AND PROMISE OF SOCIALISM

Of all the forms which the working-class movement has assumed since the Industrial Revolution three only have given any promise of life, or maintained a steady and continuous growth. These are Trade Unionism, Co-operation, and Socialism. But the two first mentioned, while they recognise that they have, and probably always will have, useful and necessary functions to discharge, have in a very large measure come to the conclusion that many of the aims and hopes they formerly cherished can only be realised through Socialism. As has been mentioned already the Co-operative movement on the Continent is practically identical with the Socialist movement. The same thing is true of Trade Unionism in Germany, Belgium, Denmark, Sweden, and indeed in all the countries except France, where about one-third of the membership is Syndicalist. In Great Britain, the Co-operative movement, as we have seen on the testimony of its leaders, has accepted the idea of securing

its aim through municipal and State enterprise where this can be more advantageously done. British Trade Unionism has by the resolutions of its Congresses declared in favour of the Socialist position. The great body of British trade unionists are joined with the Socialists in a political federation for the purpose of securing labour representation in Parliament. The Annual Conference of this Labour Party has declared 'that its ultimate object shall be the obtaining for the workers the full results of their labour by the overthrow of the present competitive system of capitalism, and the institution of a system of public ownership of all the means of Production, Distribution, and Exchange.'[1]

The Socialist parties in all lands are bound together in an International Federation, which holds an International Congress every three years. In the interval, the national movements are kept in touch with each other by the agency of a Bureau or Executive which meets regularly in Brussels. There is hardly a country in the world where no Socialist movement exists. In the Continental countries Socialism has attained such strength that it is seriously menacing the political power of the capitalist parties. At the last election for the German Reichstag (1912)

[1] Liverpool Conference, 1905.

the Socialist vote was over 4,000,000, and 110 candidates were returned. In France, Austria, Sweden, Norway, Finland, Italy, Denmark, Belgium, there is a very large Socialist party in the respective Parliaments, and Russia, Bulgaria, Chili, Turkey, Spain, Servia, and even Persia, have Socialist representatives. Socialism can proudly claim that it is the only international party and that under its flag tens of millions of men and women of all colours, race, and creeds are enrolled for the common aim of working-class emancipation.

Such a movement as this, which has had to endure ridicule, calumny, and persecution, and yet has survived all and grown from strength to greater strength, must have in it some power of satisfying the hopes and the intellects of great bodies of men and women. Its theories and aims have been exposed to the criticism of scholars and thinkers, with the result that an ever-increasing number of such men are acknowledging the soundness of its theories and the desirability and practicability of its aims. The useful service which Socialists have rendered to the cause of social reform is incalculable, and their influence on the political and social theories of the age is admitted by all to have been profound.

The Socialist movement has forced the Labour question on the attention of all classes, and has compelled other political parties to recognise its existence. The teaching of Socialism has quickened a social conscience. Its exposure of the existing state of things in every industrial country has roused people out of the condition of self-satisfaction and complacency, and made them feel uncomfortable. It has exposed the waste and anarchy of competition, and dispelled the ancient illusion that the ethic of the jungle is the divine rule of life for men. It has shown the essential unity of political, economic, and moral theories and policies, and has infused political life with a humanising purpose. It has given to millions of men and women throughout the world a new hope in life, a new faith in humanity, and an enthusiasm to work for the establishment of a new social order, where the existing state of poverty, misery, and hardship on the one hand, and riches, idleness, and culture on the other shall give place to one where work and wealth shall be shared by all and justice shall rule between man and man.

Not the least of the great services which Socialism has conferred upon humanity is its advocacy of international peace. The Socialist movement has always stood boldly against

war. It has preached that the real interests of the workers of all lands are bound up in peace. War is one of the means by which capitalism has sought to extend the sphere of its influence and to widen its field of exploitation. The workers are the victims of war, not the gainers by it. Militarism and Imperialism are the adjuncts of Capitalism. It is not for the benefit of the workers of the different nations that armed camps and navies are maintained. By the abolition of Capitalism so much of war as is due to economic causes will be abolished, and the vast sums which nations now spend upon war and preparation for war will be available for more useful purposes. The growth of international Socialism is the greatest safeguard of peace, and its final triumph will bring the end of war.

Socialist theory will yet no doubt be further modified by clearer vision and fuller knowledge. But its central idea and aim have been firmly established, and these give us an unmistakable indication of the social organisation which will supersede the one we now know, and which is being dissolved before our eyes. With the Socialist ideal few critics have ever quarrelled; they have doubted whether it was not too sublime for frail human nature ever to realise. But

the Socialist knows that forces far more powerful than conscious human effort are at the same time preparing the conditions and preparing a humanity fit for the conditions. The Socialist refuses to believe that it is impossible to supersede internecine strife by mutual co-operation. He will not believe that it was ordained as part of the plan of nature that millions of human beings should be condemned to poverty that a few might live in luxury. And Socialism now justifies this belief by the teaching and experience of the philosopher, the economist, the scientist, and the historian, whose teaching form a harmonious whole to fortify the case for Socialism.

The ideal of Socialism is a democratic, educated, self-reliant community, in which all the individuals co-operate together to promote the highest development and the greatest happiness of all. This is surely an ideal worthy of human effort. It is not an impractical ideal. We who inherit the knowledge of the past may move with firm step where others trod with hesitating feet. To rescue from material poverty and physical disease the countless millions of underfed and undersized workers of the world is a task which might well enlist the effort of this age. But to open the gates of an intellectual Eden to the vast masses who are

now condemned to ignorance outside, and to bring the joy and fellowship of life into their hearts and homes is a still worthier work. That is the call which Socialism makes: that is the promise which Socialism gives.

And some day, perhaps not far away, that promise will be realised. That ideal is in the future; but guided by experience, supported by knowledge, and inspired by a faith in humanity the Socialists of to-day work on, confident that others, if not themselves, 'the issue of their toils shall see.'

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