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APPEAL SOCIALIST CLASSICS  
EDITED BY W. J. GHENT

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*No. 1*

# The Elements of Socialism

Single Pamphlets, 25 Cents

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APPEAL SOCIALIST CLASSICS  
EDITED BY W. J. GHENT

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*No. 1*

# The Elements of Socialism

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APPEAL TO REASON  
Girard, Kansas



# THE SERIES

The pamphlets in this series are composed, in the main, of selections from the published work of Socialist writers, mostly of the present day. In some of them, particularly "Socialist Documents" and "Socialism and Government," the writings used are mainly of collective, rather than individual authorship; while the Historical Sketch is the composition of the editor.

To the selections given, the editor has added explanatory and connecting paragraphs, welding the fragments into a coherent whole. The aim is the massing together in concise and systematic form, of what has been most clearly and pertinently said, either by individual Socialist writers or by committees speaking for the party as a whole, on all of the main phases of Socialism.

In their finished form they might, with some appropriateness, be termed mosaics: each pamphlet is an arrangement of parts from many sources according to a unitary design. Most of the separate pieces are, however, in the best sense classics: they are expressions of Socialist thought which, by general approval, have won authoritative rank. A classic, according to James Russell Lowell, is of itself "something neither ancient nor modern"; even the most recent writing may be considered classic if, for the mood it depicts or the thought it frames, it unites matter and style into an expression of approved merit.

For the choice of selections the editor is alone responsible. Doubtless for some of the subjects treated another editor would have chosen differently. The difficulty indeed has been in deciding what to omit; for the mass of Socialist literature contains much that may be rightly called classic which obviously could not have been included in these brief volumes.

The pamphlets in the series are as follows:

1. THE ELEMENTS OF SOCIALISM.
2. THE SCIENCE OF SOCIALISM.
3. SOCIALISM; A HISTORICAL SKETCH.
4. SOCIALIST DOCUMENTS.
5. SOCIALISM AND GOVERNMENT.
6. QUESTIONS AND ANSWERS.
7. SOCIALISM AND ORGANIZED LABOR.
8. SOCIALISM AND THE FARMER.
9. SOCIALISM AND SOCIAL REFORM.
10. THE TACTICS OF SOCIALISM.
11. THE SOCIALIST APPEAL.
12. SOCIALISM IN VERSE.

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## PREFACE

In this pamphlet Socialism is defined in its various aspects—as a passion for, and effort toward, industrial equality; a theory of social evolution, a system of political economy, an organized international movement and a social ideal. With each definition is given one or more selections from some authoritative Socialist writer, illustrating the matter defined. These selections are mainly chosen for their conciseness and simplicity of style.

The word “authoritative” is used, of course, in a qualified sense. Mr. Hillquit, in the following passage in “Socialism: Promise or Menace?” has well expressed the limitation of meaning with which the word “authority” may be rightly used in Socialist exposition and propaganda:

The expression “Socialist authorities” must . . . be taken in a very restricted sense. Socialists are no respecters of “authorities.” They do not accept the conclusions of their writers on faith. The leaders of Socialist thought are those who have been able to state their social and economic theories with the greatest degree of convincingness; and the ability to substantiate their views with facts and arguments always remains the test of their authoritativeness.

Socialism as an organized movement is the subject of a succeeding pamphlet (No. III) and is therefore given but scant mention here. So, also, political economy as explained by Socialists is but briefly summarized here, since a detailed treatment of the fundamental Socialist positions is given in Pamphlet No. II. W. J. G.



# THE ELEMENTS OF SOCIALISM

## I.

### WHAT SOCIALISM IS.

*Socialism is the collective ownership and democratic management of the social means of production for the common good.*

We use the general term "collective," rather than some more specific term, because common ownership under Socialism will no doubt take on various forms—national, state, municipal, labor-union and co-operative.

We say "democratic management" because collectivism without democracy would not be Socialism.

We say the "social means" of production instead of "all means" because, as all Socialists agree, many kinds of small industry will probably be left in private hands. It is the large-scale industries, the industries in which labor is performed socially, by groups or masses of men working with tools owned by other men, that Socialists insist shall be made collective property.

And, finally, we say the "common good" rather than the "equal good" or some other term which assumes foreknowledge of the rule of recompense for labor or service in the society of the future. Socialism strives for the "greatest good of the greatest number," but no one today can say upon what basis the apportioning of that good will be determined.

### COMPREHENSIVENESS OF SOCIALISM.

It is evident that in the definition given Socialism is considered as a social ideal—a proposed or anticipated system of society. But the word "Socialism," like the word "Christianity," has a breadth, an inclusiveness, which takes in many meanings. It may be regarded:

1. In a usage somewhat loose and vague, but necessary from a genetic or historical standpoint, as a spirit, a passion, an aspiration, with its resulting effort, for industrial equality.
2. As a theory of social evolution.
3. As a system of political economy.
4. As an organized international movement.
5. As—in the definition given above—a social ideal.

The word may thus be used in the sense of any of the definitions given, or broadly and comprehensively, in a sense including all of them.

## II.

## A PASSION FOR INDUSTRIAL EQUALITY.

## THE LINK WITH THE PAST.

Though scientific Socialism is of comparatively recent origin, it has at least some of its origins far back in ancient times. The degree of its kinship to earlier social theories and movements is variously judged by Socialist writers. To Morris Hillquit, though in his "History of Socialism in the United States" he speaks of Wilhelm Weitling (1808-1871) as "the connecting link between primitive and modern Socialism," present-day Socialism is wholly dissociated from the ancient and medieval utopias and communistic societies. He says:

Socialism is distinctly a modern movement. Contrary to prevailing notions, it has no connection, historical or intellectual, with the utopias of Plato or More, or with the practices of the communistic sects of former ages.

The Socialist movement was called into life by economic conditions which have sprung up within very recent periods. Its program is an attempted solution of the problems inherent in these conditions.\*

To Karl Kautsky and Eduard Bernstein there is a direct relation between modern Socialism and at least the social movements and reconstructive schemes which immediately preceded it. In their introduction to "Die Vorlauffer des Neueren Sozialismus" they say:

A deep sympathy must unite him (the modern Socialist) with those who wanted to accomplish similar things and aspired to the same goal as he. The fact that they aimed at the impossible and failed, must rather strengthen his sympathies for them, for these sympathies are naturally on the side of all the oppressed and downtrodden. . . . His great sympathy for those who went before him is, for the modern Socialist, an additional reason to devote himself to a deep study of them; and it is clear that it will be easier for a Socialist than for a bourgeois writer

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\*"Socialism Summed Up," p. 7.

to grasp and understand the emotional and thought life of previous Socialists.\*

To another writer the connection is one of an unbroken chain from remote antiquity:

### THE MORAL GENESIS OF SOCIALISM.

BY WALTER THOMAS MILLS.

The ideals which have finally grown into the proposals of the Socialists were voiced by prophets, poets and dreamers long centuries before the industrial and economic conditions were so developed as to make inevitable the coming into actual life and form of these dreams of the dreamers. . . . It is certain that these dreams of the long past were grounded on real and lasting factors in human life.

It would be easy to sneer at the ancestry of scientific Socialism, but these dreams and hopes were really dreamed about and hoped for, and even this dreaming and hoping are a part of the facts which scientific students of the subject of Socialism must not ignore.

The first efforts to put into working form the proposals of the Socialists were in the form of utopian pictures. The first efforts in modern times to organize workers into productive bodies for the mutual benefit of the workers only were made by co-operative colonies. . . .

The utopian dreams are so old as to suggest that they may have come to us as survivals of the primeval brotherhoods, seeking to adjust themselves to the successive environments of the various stages of man's industrial advance. Plato's "Republic" was among the earliest of these pictures, and he says in his introduction that his work was suggested by a visit to the ceremonies of a dedication by one of the Grecian trade-unions, and there can be little doubt that these very ancient organizations of workers were direct survivals from, or reversion to, the more ancient tribal organizations. . . .

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\*Quoted by Untermann: "Marxian Economics," pp. 13-14.

**THE BASIS OF DIFFERENCE.**

The one thing which marks the transition from these utopian efforts to the propaganda of the scientific Socialists is the difference in the basis of the reasoning of the advocates of the older and the newer schools. The principles of collectivism, democracy and equality had all been declared for and defended for centuries before the formulation and defense of the doctrines of scientific Socialism. In more recent years it had been attempted to introduce these principles into the government of industries, but the reasons assigned for doing so and the plans proposed were not based on the new philosophy of evolution. . . .

Before the teaching of the evolutionary philosophy the proposals of the Socialists had been presented as the wise plans of some philanthropists, and naturally on lines of enterprise sufficiently limited to be within the reasonable enterprise of some such benefactor. They were not presented as the necessary result of preceding conditions, nor as the necessary outgrowth of industrial development. Again, the industrial revolution centralized and equipped industry on so large a scale as to suggest the collective ownership and democratic use of the means of production, and therefore helped to transfer the foundations of the argument from philanthropic ideals to economic causes.\*

**THE TRANSITION FROM UTOPIA TO SCIENCE.**

Admitting the general truth of Hillquit's statement, one may still say that Socialism is a modern manifestation of that ages-long yearning of human beings for a better order of social relationship. Among all peoples, in all ages, this aspiration has existed. It has, of course, taken on different forms in accord with the material environment out of which it grew. Not in all men has this aspiration dwelt, for the cunning and strong have ever found it better for themselves that conditions should be unequal. But among *all peoples* it has existed, and today it flowers in a certitude of faith which never characterized it before.

It is the form of this aspiration which today differs from

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\*"The Struggle for Existence," pp. 237-240.

that of all other days. Today, as in every other time, it grows out of the material environment: a sense of the imperfection of life as it prompts men inevitably to hope and strive for a better life. But the material environment of today—that is, in large part, the prevailing system of production and distribution—when studied and compared with the systems which preceded it, furnishes us with a definite concept of history, a definite analysis of social factors and a systematized effort for attaining the desired goal.

The Socialist movement has its scientific basis in a certain theory of social evolution. This theory was formulated by Karl Marx (1818-1883) and Friedrich Engels (1820-1895). Previous to about 1850 Socialist projects and theories were generally of a character now called "utopian" (from Sir Thomas More's "Utopia," *no place*). That is, they were idealistic and visionary—the proposals or projected systems of men who believed that the drawing up of an attractive and elaborately detailed scheme of society was all that was necessary to insure its acceptance by all kinds and conditions of men.

With the publication, in January, 1848, of the "Communist Manifesto,"\* by Marx and Engels, modern or scientific Socialism begins. The underlying idea of that work is the development of society, through constant changes, necessitated by changes in the mode of producing and distributing wealth. "In every historical epoch," as Engels later summarized this principle, "the prevailing mode of economic production and exchange, and the social organization 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."

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\*The word "Communist" was then, and for some time afterward, the accepted term for a radical or revolutionary Socialist. The word "Socialist" appears to have been first used about 1827 by a disciple of Robert Owen. It did not become common for several years, and not until about the end of the sixties did it come to have its present meaning, supplanting the word "Communist" in ordinary use and leaving that term to designate one who believes in a community of goods.

## III.

## A THEORY OF SOCIAL EVOLUTION.

The gradual acceptance of the principles put forth in the little work of Marx and Engels and of other works by the same authors that followed it, completely altered the character of Socialism. It had now become a theory of social evolution—an interpretation of the successive changes in society and a reasoned prediction of other changes to come. "Socialism," says Spargo, "had become a science instead of a dream." The basis of this altered view is what is known as the "materialist conception of history," or the "economic interpretation of history," or "economic determinism."

## THE ECONOMIC INTERPRETATION OF HISTORY.

BY JOHN SPARGO.

As a theory of social evolution Socialism has for its primary postulate the necessity of a constant change and growth of the social organism. . . . The distinctive feature of the Socialist theory of social evolution, as distinguished from other theories, is the so-called "materialistic conception of history," formulated by Marx and his great co-worker, Friedrich Engels. The essence of this theory, its root principle, is that the main impelling force which to a large extent determines the time and character of the changes in social organization which we call the epochs of history, is economic, rising out of the methods of producing and distributing wealth.

1 Slave labor broke up the pre-historic communism, and the development of that system of production established private property and an individualistic code of ethics to replace that of the tribe. The rise of the feudal system may be traced to definite economic causes as clearly as the rise of capitalism may be traced to the workshop system, and its development to the great mechanical inventions of the eighteenth century. Just as the term feudalism comprehends something more than the economic arrangements existing between lords and serfs, and covers the

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whole social and political life of an epoch in history, with its military system, its jurisprudence, its intellectual life, so the term capitalism comprehends much more than a system of wage-paid labor.

#### THE MAIN FORCE ECONOMIC.

I have said that the distinctive features of this theory of social evolution, this philosophy of historical development, is that the main determinant force is economic, including in that term all the economic factors, including even climate. Other forces enter into the stream of causes. Religion, superstition, custom, ethics and patriotism have each exerted considerable influence, but when all possible allowance is made for these great forces the sum of economic conditions still remains the principal force impelling the race-life onward.

You will see at once that this is very far from being the gospel of economic fatalism which it is sometimes caricatured as being, alike by superficial critics and friends. It does not imply that individuals are inspired solely by sordid greed, a proposition which no one really believes. It does, however, imply that men generally act in accordance with their consciously felt interests, of which economic interests are always the most important and urgent. This will . . . serve to explain why kind-hearted men and women known to you will oppose the measures you are forced to advocate for social betterment. It will help you to understand why a great corporation like Trinity church owns slum property and opposes tenement house legislation, and why men and women who are known to you as earnest Christians and most generous persons will oppose measures aiming to do away with the evils of child labor.

If you use it wisely it will illumine for you many a page of history which would otherwise be obscure, but if you use it fanatically and without reason it will land you in foolish and untenable positions.\*

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\*"Capitalist and Laborer," pp. 97-100.

### THE CLASS STRUGGLE.

It is a part of the economic interpretation of history, as held by Socialists, to maintain that since the dissolution of primitive tribal society social processes have inevitably grouped men in economic classes. In the words of Marx and Engels:

The history of all hitherto existing society is the history of class struggles.

Freeman and slave, patrician and plebeian, lord and serf, guildmaster and journeyman, in a word, oppressor and oppressed, stood in constant opposition to one another, carried on an uninterrupted, now hidden, now open fight, that each time ended, either in revolutionary reconstitution of society at large, or in the common ruin of the contending classes.

In the earlier epochs of history we find almost everywhere a complicated arrangement of society into various orders, a manifold gradation of social rank. In ancient Rome we have patricians, knights, plebeians, slaves; in the middle ages, feudal lords, vassals, guildmasters, journeymen, apprentices, serfs; in almost all of these classes, again subordinate gradations.

The modern bourgeois society that has sprouted from the ruins of feudal society has not done away with class antagonisms. It has but established new classes, new conditions of oppression, new forms of struggle in place of old ones.

Our epoch, the epoch of the bourgeois, possesses, however, this distinctive feature: it has simplified the class antagonisms. Society as a whole is more and more splitting up into two great hostile camps, into two great classes directly facing each other, bourgeoisie and proletariat.\*

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\*"The Communist Manifesto" (Socialist Literature Company edition), pp. 10-11. "By bourgeoisie," the authors explain, "is meant the class of modern capitalists, owners of the means of social production and employers of wage labor. By proletariat, the class of modern wage laborers who, having no means of production of their own, are reduced to selling their labor power in order to live."



### PRESENT-DAY CLASSES.

An economic class . . . is an aggregate of persons whose specific economic functions and interests are similar, and who therefore bear a common relation to the prevailing economic system. In all communities of persons who produce goods for individual profit there exists, necessarily, an antagonism of material interests. These persons may have like *general* interests; as consumers they will all want goods at low prices; they may equally desire peace, prosperity and health; they may have an equal interest in salubrity of climate and fertility of soil. But their *particular* interests vary and conflict in accord with the different methods by which the individuals make their living.\*

The mass of occupied persons in the United States today may be divided, on the basis of function and interest, into the following classes: I, Wage-earning producers, or proletarians; II, Self-employing producers, such as working farmers and handicraftsmen; III, Social servants, such as educators, clergymen, physicians, artists, writers and employes of public institutions; IV, Active capitalists, engaged in manufacture, trade or development; V, Idle capitalists; VI, Retainers, persons whose function is to contribute solely or predominantly to the direct service of the capitalists.

A recent argument has been advanced that the wage-earning producers are actually divisible into two classes—the skilled and the unskilled; but though short-sighted policies practiced by both wings have sometimes indicated a conflict of interests, their fundamentally common cause is coming to be better understood day by day.

No study of present-day society can afford to ignore the various group and class formations, based upon particular interests. The fact remains, however, that the chief struggle is that between the proletarians on the one hand and the capitalists on the other.

### WAGE-EARNER VS. CAPITALIST.

BY MORRIS HILLQUIT.

Modern society is split into two principal economic classes: the users of the machinery of production, who do

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\*"Mass and Class," pp. 37-38.

not own it; and the owners, who do not use it; the employers and the employes, the capitalists and the workers, those who derive their income from "profits" and those who depend for their living on "wages."

The classes are not fixed by law, but they are determined just as effectively by economic position, and as the modern industrial system is unfolding, they tend to become permanent and even hereditary. A lucky workingman or clerk may still occasionally be lifted into the coveted realms of wealth and power, but the probabilities of such a rise are not much greater than were the proverbial chances of a soldier in the Napoleonic army to be advanced to the rank of field marshal. The vast mass of wage-earners are doomed to factory work for life, and their children are predestined factory hands.

#### DEVELOPMENT OF FIXED CASTE.

And similarly, capitalism is rapidly becoming a hereditary status. The "self-made man," the pioneer of a new industry, is fast passing away. Modern wealth is largely in the hands of second or third generations. The gay heir who squanders his fortune and is reduced to the original poverty of his grandsires, becomes rarer, as the fortunes of the individual capitalists grow in bulk, and corporate management supersedes individual initiative.

It is not contended that the entire population is definitely divided into the two classes mentioned. There are, of course, the more or less indefinite and undefinable groups, generally designated as the "middle classes," with all shades of special interests, but the main factors in modern industrial life are clearly represented by the two most pronounced types or classes—the capitalists and the wage-earners—the latter comprising all grades of hired manual and mental workers.

And there is war between and among the classes. War, sometimes overt and violent, sometimes concealed and even unconscious, but war nevertheless. The war is all the

more intense and irrepressible because it springs not from personal hostility or accidental misunderstandings, but from ever-present organic economic antagonism.\*

### THE AGE OF MACHINERY.

The basic industrial fact in the economic changes of the last 150 years is the development of machinery. Before this development began, the production of goods for the market was largely the work of individuals or families or small groups, using their own tools and selling their products for their own benefit. With the perfecting of machinery, production concentrated in factories and workshops wherein the tools or machinery were owned by one man or set of men and were used by groups or masses of workers employed at wages. This industrial evolution is well summarized in the following excerpt from a popular pamphlet, entitled "Introduction to Socialism":

BY NOBLE A. RICHARDSON.

The century just closed may be considered the first in the "Age of Machinery." Place the machinery of 1800 beside that of 1900, and the former sinks into insignificance. The great machines of today are mainly the product of nineteenth century thought.

But the "growth of machinery" is not spontaneous, and in rare cases, indeed, is the completion of a great machine an isolated accomplishment. It is started by some one in a comparatively rude and simple form. This suggests to some other observer and thinker changes, or improvements, or total reconstruction; and this second product commonly meets the same fate as its predecessor.

Thus, the machine that can do the work formerly done by two men suggests the one that can do the work of ten, and this, in turn, the one that can do the work of fifty, and so on, in some instances, to the one that can do more than could be done by a thousand men working as their ancestors of 1800 worked.

It was in this way that most of our great machines

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\*"Socialism Summed Up," pp. 13-14.

have been wrought, as the history of the nineteenth century bears witness. First, the small machine, then the greater and better, and so on until we reach the marvels of today.

#### EFFECTS OF MACHINE DEVELOPMENT.

But along with this development of machinery, this concentration of producing power, have come other changes that are its necessary concomitants, that must needs follow as doth the night the day.

The small machine was operated by the small capitalist, the greater machine demanded and, as we shall see later, produced the greater capitalist. The growth of the wealth of the capitalist has paralleled that of the machine and kept fully up to date. Certainly the contrast between the wealth of the capitalists of 1800 and those of 1900 is as striking as that between the machines of these dates. And we think this comparison will reveal about the same ratio for any decade of that century. Of course, we include in this comparison every labor-saving (or displacing) device as a machine, e. g., railways, steamboats, telegraphs and telephones, as well as reapers, looms, trip hammers and trusts.

Again, the small machine was operated in the small factory, the greater one in the greater factory, and the growth of the factory has kept pace with that of the machine and capitalist, until we now have the gigantic productive concern that is more typical of Teutonic civilization than is any other of our institutions, except it be a public school house.

#### BEGINNINGS OF THE WAGE-EARNING CLASS.

And along with the development of the machine, the capitalist and the factory, has come another change that we must not overlook—a change in the social and economic conditions and relations of individuals. In 1800 we were a nation of individual or independent workers. Men made their own chairs and tables and wooden plows and the women spun their own and their families' garments. The

neighborhood blacksmith made everything from raw material, and as late as 1870 was still making his horseshoes, and even horsenails. Production was carried on on the individualistic plan. With the growth of the machine and factory these occupations were concentrated and performed, not by men working each for himself and with the tools that he owned, and perhaps made, but by men and women working for the owners of the factory and the tools. Production became collective; the former independent worker who lived in the country became a hired man, a wage earner, who lived in a village, and then in a city. In all this series of developments and changes, none, perhaps, has been more marked than the revolution that has taken place in the social and industrial relations of those concerned in production.

We do not cite these things for the purpose of decrying them. Far from it. They are the evidences of industrial growth, products of the keenest and best thought the world has produced, proofs of the application of scientific investigation and discovery to the means of providing for the wants of man. True, at each step, at each change, some have suffered, and, as a result of it all, millions still suffer. But it is not because the machine and factory have grown to such proportions; not because nature's forces have been enslaved and made to "turn with tireless arm the countless wheels of toil." If aught of evil has come of all this, the fault lies with ourselves. We are not making proper use of this progress, are not directing it into proper channels.\*

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\*"Introduction to Socialism," pp. 3-5.

**CONCENTRATION OF INDUSTRY.**

Inevitably, this development of machinery has tended to the concentration of industry—to the elimination of the smaller workshops (except those that render some special or local service which makes competition by others difficult) and to the growth of the larger and financially stronger workshops:

BY JOHN SPARGO.

The Socialist theory is that competition is self-destructive, and that the inevitable result of the competitive process is to produce monopoly, either through the crushing of the weak by the strong, or the combination of units as a result of a conscious recognition of the wastes of competition and the advantages of co-operation. The law of capitalist development, therefore, is from competition and division to combination and concentration. As this concentration proceeds, a large class of proletarians is formed on the one hand and a small class of capitalist lords on the other, an essential antagonism of interests existing between the two classes. While Socialism does not preclude the continued existence of small private industry or business, it does require and depend upon the development of a large body of concentrated industry; monopolies which can be consciously transformed into social monopolies whenever the people so decide.

The inter-industrial and international trustification of industry and commerce shows a remarkable fulfillment of the law of capitalist concentration which the Socialists were the first to formulate; the existence of petty industries and businesses, or their increase even, being a relatively insignificant matter compared with the enormous increase in large industries and businesses. In agriculture, concentration, while it does not proceed so rapidly or directly as in manufacture and commerce, and while it takes directions unforeseen by the Socialists, proceeds surely nevertheless.

**MASSING OF WEALTH IN FEWER HANDS.**

Along with the concentration of capital and industry proceeds the concentration of wealth into proportionately

fewer hands. While a certain diffusion of wealth takes place through the mechanism of industrial concentration which affords numerous small investors an opportunity to own shares in great industrial and commercial corporations, it is not sufficient to balance the expropriation which goes on in the competitive struggle, and it is true that a larger proportion of the national wealth is owned by a minority of the population than ever before, that minority being proportionately less numerous than ever before.

Whatever defects there may be in the Marxian theory, and whatever modifications of it may be rendered necessary by changed conditions, it is perfectly certain that in its main and essential features it has successfully withstood all the criticisms which have been directed against it. Economic literature is full of prophecies, but in its whole range there is not an instance of prophecy more literally fulfilled than that which Marx made concerning the mode of capitalist development. And Karl Marx was not a prophet—he but read clearly the meaning of certain facts which others could not read; the law of social dynamics. That is not prophecy, but science.\*

### THE TRUST.

Out of this concentration of industry has come the trust—the one big, conspicuous fact which everyone can see, no matter how blind he may be to other and quite as important economic facts. The Socialist position, both as to the origin and development of trusts and as to the logical attitude to be taken toward them, is expressed by Mr. Benson as follows:

BY ALLAN L. BENSON.

No Socialist was ever heard finding fault with a trust simply for existing. A Socialist would as soon find fault with a green apple because it had been produced from a blossom. In fact, Socialists regard the trusts as the green apples upon the tree of industrial evolution. But they

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\*"Socialism" (1906), pp. 120-122.

would no more destroy these industrial green apples that are making the world sick than they would destroy the green apples that make small boys sick. They pause, first because they are evolutionists, not only in biology, but in everything; second, because they recall that the green apples that make the boy sick will, if left to ripen, make the man well. In short, Socialists regard trusts, or private monopolies, as a necessary stage in industrial evolution; a stage that we could not have avoided; a stage that in many respects represents a great advance over any phase of civilization that preceded it, yet a stage at which we cannot stop unless civilization stops. Therefore, Socialists take this position:

It is flying in the face of evolution itself to talk about destroying, or even effectually regulating the trusts.

Private monopolies cannot be destroyed except as green apples can be destroyed—by crushing them and staying the evolutionary processes that, if 'left alone, will yield good fruit.

Private monopolies cannot be effectually regulated because, so long as they are permitted to exist, they will regulate the government instead of permitting the government to regulate them. They will regulate the government because the great profits at stake will give them the incentive to do so and the enormous capital at their command will give them the power to do so.

#### NO INTERFERENCE WITH EVOLUTION.

In other words, Socialists say that the processes of evolution should go on. What do they mean by this? They mean that the good elements of the trust principle should be preserved and the bad elements destroyed. What are the good elements? The economies of large, well-ordered production, and the avoidance of the waste due to haphazard, competitive production. And the bad elements? The powers that private monopoly gives, through control of market and governmental policies, to rob the consumer.



Socialists contend that the good can be saved and the bad destroyed by converting the private monopolies into public monopolies—in other words, by letting the government own the trusts and the people own the government. This may seem like what the foes of Socialism would call a “patent nostrum.” It is nothing of the kind. It is no more a patent nostrum than the trusts are patent nostrums. Socialists invented neither private monopolies nor public monopolies. Socialists did not kill competition. Competition killed itself. Socialists simply were able to foresee that too much competition would end all competition and thus give birth to private monopoly.

And, having seen thus far, they looked a little further and saw that private monopoly would not be an unmixed blessing. They saw that under it, robbery would be practiced in new, strange and colossal forms. They knew the people would not like robbery in any form. They knew they would cry out against it as they are crying out against the trusts today. And they believed that, after having tried to regulate the trusts and failed at that, the people would cease trying to buck evolution, and get for themselves the benefits of the trusts by owning them.

#### TRUST ABOLITION OF WASTE.

This may be an absurd idea, but in part, at least, it has already been verified. It has been demonstrated that private monopoly saves the enormous sums that were spent in the competitive era to determine whether this man or that man should get the profit upon the things you buy. The consumer has absolutely no interest in the identity of the capitalist who exploits him. But when capitalists were competing for trade, the consumer was made to bear the whole cost of fighting for his trade.

Private monopoly has largely done away with the cost of selling trust goods, by doing away with the individual competitors who were once struggling to put their goods upon the market. Private monopoly has also reduced the

cost of production by introducing the innumerable economies that accompany large production.

What private monopoly has not done and will never do is to pass along these savings to the consumers. The monopolists have passed along some of the savings, but not many of them. What they have passed along bears but a small proportion to what they have kept. That is what most of the trouble is about now. The people find it increasingly difficult to live. For a dozen years, it has been increasingly difficult to live. Persistent and more persistent has been the demand that something be done about the trusts.

#### FUTILITY OF TRUST REGULATION.

The first demand was that the trusts be destroyed. Now, Mr. Bryan is about the only man in the country to whom the conviction has not been borne home that the trusts cannot be destroyed. The rest of the people want the trusts regulated, and the worst of the trust magnates sent to jail. Up to date, not a single trust has been regulated, nor a single trust magnate sent to jail.

Officially, of course, the Standard Oil company, the American Tobacco company and the Coal Trust have been cleansed in the blue waters of the supreme court laundry and hung upon the line as white as snow. But gentlemen who are not stone blind know that this is not so. They know the Standard Oil company, the American Tobacco company and the Coal Trust have merely put on masks and gone on with the hold-up business. Therefore, the Socialist predictions of seventy years ago have all been verified up to and including the inability of any government either to destroy or regulate the trusts.\*

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\*"The Truth About Socialism," pp. 12-15.

## THE SOCIALIST INDICTMENT OF CAPITALISM.

Socialism, as a theory of social evolution, includes not only an interpretation of the successive changes so far in economic processes and their consequent social and political results, but also a reasoned prediction of further changes. It shows the development of society through many forms, such as the tribal communism of the primitive peoples, the pastoral societies of the Jews and Arabs, what is known as the "household economy" of the Greeks and Romans, the "town economy" of the medieval cities of Europe; slavery, which has permeated all forms of society; feudalism; the succeeding system of small-unit production which prevailed until steam was applied to machinery, and which has also generally obtained among pioneer peoples, and lastly, capitalism, the system which now prevails in all developed or partly developed countries of the globe. It is this system, with its manifold evils and its inherent contradictions, which the Socialist movement relentlessly opposes. A comprehensive statement of its main evils is contained in the following pages:

BY MORRIS HILLQUIT.

The distinguishing feature of Socialism as a social philosophy lies in the fact that it is more scientific in its criticism and more radical in its remedy.

Socialism proceeds from a thoroughgoing analysis of the practical workings of the existing economic, political and social institutions. It refuses to treat their multiform shortcomings as accidental and unrelated phenomena, and endeavors to establish their mutual bearings and to discover their common source. Its attack is directed primarily against that source, the underlying social wrong, which is the root of all minor and specific complaints.

The most serious social problems which confront the present generation may be grouped under five main heads, which together cover practically all phases of our communal existence—the economic, cultural, social, political and intellectual. Of these the economic problem is by far the most important, and deserves our first attention.

### COMPETITION AND ITS RESULTS.

The striking feature of the modern plan of industrial organization in its early phases of development is the lack

of plan and absence of organization. In the most vital function of associated human beings, the "production of wealth," which means the process of sustaining life, anarchy reigns supreme. The necessities and comforts of the community are not produced on an intelligent plan based on the needs of the population and the available supply of raw material and productive forces. They are created and thrown into the market pell-mell by an indeterminate number of individual, competing and unorganized manufacturers.

The system involves an insane waste of human effort in duplication of plants and machinery, in sales forces, advertising and other unproductive factors of competitive warfare. Work is unregulated and uncertain, periods of strenuous and taxing activity alternating with seasons of enforced idleness. The planless and casual mode of production often results either in a scarcity or in a superabundance of supplies.

In the former case the price of products rises to a point which puts them beyond the reach of the needy consumer, and the latter is apt to inflict on society that most fearful of capitalist scourges—the industrial crisis.

When the market is stocked with such an excessive quantity of commodities that the consumers have neither ability nor means to absorb them, industrial paralysis ensues. The wheels of production cease to turn, the arteries of trade are clogged. Millions of workers are thrown out of employment, thousands of business enterprises collapse. Men, women and children succumb for want of food and clothing, and all the time food and clothing are piled up in prodigious quantities, rotting for lack of consumers.

The competitive system of private capitalism erects an unsurmountable barrier between the workers and their work, between the people and their food.

#### TRUST RESTRICTION OF COMPETITION.

These glaring defects of competition in manufacture and trade ultimately lead to its partial suppression. The

capitalists begin to organize. The individual merchant and manufacturer yield to the corporation, and the latter rapidly grows into that most modern of industrial phenomena—the trust. The trusts succeed in eliminating some of the evils of unbridled competition, but they exact a terrible price for the service. With the control of the market in each important industry they acquire practically unrestricted powers over the workers as well as the consumers, and they do not hesitate to use and abuse these powers to the utmost.

To the trusts furthermore belongs the credit of having perfected the most pernicious of modern methods of financial malpractice—the “watering” of stocks. In creating by their mere fiat new income-bearing “securities” to the extent of billions of dollars, they impose a heavier tax on the people of this country than the combined organs of government ever dared to exact.

And the nation, as at present organized, is helpless before them. No amount of denunciation will shake their massive foundation, no penal legislation or court decrees will curtail their tremendous powers, as the sturdy corpses of the Standard Oil company, the Tobacco Trust and other “dissolved” combines eloquently attest. In the face of popular clamor and indignation they stand like huge giants, complacently grinning at the impotent ravings of excited pygmies.

The trusts have largely abolished industrial anarchy. They have reared in its place the formidable throne of industrial autocracy.

#### HARVESTING THE ANNUAL PRODUCT.

The economic ascendancy of the capitalists places them in a position to apportion the annual product of the country among its inhabitants. To be sure, they do not discharge that function consciously or planfully—they operate indirectly, each within his own sphere; but the collective result

of the process amounts to an effective division of wealth, periodically accomplished by the capitalist class.

And the plan upon which the division proceeds is exceedingly simple:

The working population as a whole gets just a little less than is necessary to maintain it in physical fitness for its task and to enable it to reproduce the species *worker*.

The balance is retained by the capitalist purveyors as their just share of the "national" wealth.

It is this method of wealth distribution which rears our thousands of powerful millionaires, with their proud mansions and dazzling luxury, and it is this method also that breeds our millions of paupers with their disreputable dwellings, their filth and rags. To this capitalist system of wealth distribution we are largely indebted for our libraries, our hospitals, rescue missions and charitable institutions of all descriptions; also for our pauperism, child labor, trade diseases, white slavery and many other forms of destitution and its twin sisters, crime and vice.

#### RESTRICTION OF EDUCATION.

The monopoly of material wealth inevitably involves a corresponding monopoly in education and culture. If the degree of civilization attained by a community is to be measured not by the heights of accomplishment reached by the few, but by the general diffusion of culture among the masses, then indeed our modern civilization is a miserable failure.

The large masses of the people participate to some extent in the benefits of the practical achievements of modern science, but the general cultural influences of the marvelous scientific discoveries of recent times pass by them with little effect. Millions of mine workers, factory hands and street laborers culturally still live in the fifteenth century, and as to the fine arts, the drama, literature, music, painting and sculpture and all the things that go so far toward ennobling and embellishing the life of the individual,

they simply do not exist for the vast majority of the people, who have neither means nor leisure to cultivate them.

But the most disastrous effect of the system of private capitalistic industries is the division of the population into distinct social and economic groups with conflicting and hostile interests. The prevailing system of industrial ownership and operation arrays the producer against the consumer, the tenant against the landlord and the worker against the employer.

#### THE CLASS WAR.

Most far reaching in social consequences is the war between the latter two classes. For there is war, and nothing but war, between the capitalist and the worker, in spite of the conventional cant about the alleged harmony of their economic interests. The capitalists' profits stand in inverse ratio to the workers' wages and *vice versa*. So long as the industries of the country are operated for the private advantage of the individual capitalist, so long will the latter strive to secure the maximum of work for the minimum of pay; and so long as human labor remains a mere commodity to be sold to the capitalist in open market, so long will the worker strive to save and conserve this, his sole valuable possession, and to obtain as large a price for it as he can.

There is no more harmony between privately owned capital and wage-earning labor than there is between the wolf and the lamb. The modern capitalist extracts his profits by dint of this economic power, the ownership of the tools of work. The modern toiler does his share of the world's work under protest. When he does not strike or boycott or destroy his employer's property, he renders his services grudgingly. Instinctively he hates his employer, for he feels that the latter is robbing him of a large portion of his legitimate product by means of an artificial social arrangement.

**AN ENDURING STRUGGLE.**

The employer feels and fears that hatred, and is always on the watch for open outbreaks of the sentiment, prepared to quell the ever-anticipated revolts of his "hands" by a course of starvation, enforced, if need be, by the clubs of the police, the rifles of the militia or by court injunctions. "Industrial disputes" are not the exception, they are almost the rule, in the relations of employer and employe. Our industrial derangement, miscalled "system," operates through a state of permanent industrial warfare, in which the true producers of all wealth are treated as prisoners of war.

This general and relentless social strife is not fomented by malevolent "agitators." It is rooted in the very foundations of the system of capitalism and is the most damning indictment against it.

**CAPITALIST DOMINATION OF THE STATE.**

Nor are the direct economic faults of the existing order its only or even greatest curse. The diseased germs of the system are bound to infect all organs of the body politic with their insidious poison. For, after all, modern politics is mainly concerned with affairs of business within the municipality, state and nation. Franchises and grants for public-service corporations, tariffs for manufacturing industries, supervision of certain quasi-public business concerns, regulation of rates and charges of others, and rules with respect to certain employments—these constitute the largest items on the calendar of every legislative body, and all such legislation has a direct effect on the capitalist's ledger.

The capitalists are likewise vitally concerned in the personnel of the executive and judicial officials. The favors or disavors of such officials often mean dollars and cents to them. The big business interests have thus a direct and practical motive in seeking to influence or control politics. And therein lies the main cause of all contemporary political



corruption. The national campaigns of the old political parties are financed, hence controlled, very largely by the national trusts through their individual representatives; the state campaigns by the principal railroad lines of the state; and the municipal campaigns by the local traction, gas or other "public-service" corporations.

#### THE CORRUPTION OF POLITICS.

Under these conditions politics becomes a lucrative calling exercised by a large army of professionals, trained in the fine art of trafficking in votes, public offices and legislative enactments. The Spartan band of our honest but simple statesmen may continue exerting their ingenuity toward the elaboration of an ideal Corrupt Practices Act and perfect primary laws, and our public-spirited municipal reformers may remain on their life-job of purifying local politics; they may even succeed in curbing the raw methods of open barter and in introducing greater outward decency; but they cannot change the substance.

So long as politics has a direct bearing on private profits, there will always exist a commercial alliance between the capitalist and the politician, the former having a constant incentive to corrupt and the latter being in the business of being corrupted.

And what is true of politics holds equally good of the effects of capitalism on all fields of the intellectual and spiritual life of the nation.

The general state of public enlightenment in the last analysis determines all social and political developments of the country.

#### GOVERNMENT BY A SMALL MINORITY.

The natural and direct impulse of every individual or group or class of individuals is to act in a manner most conducive to the promotion of his or their interests. But in order to make the action effective, the interests must be intelligently understood. If the majority of the people

clearly perceived their needs and rights, and realized their power, no minority would ever rule. The fact that all ruling classes in history have been in the minority is to be largely accounted for by their ability to impose on the rest of the population such views and notions as were required to preserve their rule.

Not that the rule of any dominant class was ever based on purely intellectual concepts—on the contrary, they were always supported by brute physical force in the shape of strong armies; but nevertheless they depended ultimately on popular sanction. In the absence of such sanction the ruling classes could not even recruit and maintain their armies in the long run.

The capitalists are no exception to this general historical rule. They constitute a minority in the population of every civilized country. Their rule is based on their ownership of the tools of work, the laws which sanction and protect such ownership, and the government organized to enforce such sanction and protection. But in a political democracy the laws may change with every change of the popular notion of justice and expediency, and the government is always the football of contending forces of diverse material interests. To preserve their economic power the capitalists must therefore retain their political control, and the latter presupposes the support of a majority of the people.

#### CONTROLLING THE AGENCIES OF THE POPULAR WILL.

Modern capitalism depends on popular sanction even in a larger measure than the class rules of the past, because that sanction must be renewed and solemnly attested every few years at the ballot box.

The capitalists are thus vitally concerned in the state of enlightenment, social views, economic doctrines and ethical conceptions of their fellow-citizens, and they spare no effort to shape them in conformity with their own notions and

interests. The press, the pulpit and the school are largely under their influence, if not directly in their service.

The most influential part of the daily press is either owned outright by them, or mortgaged to them, or dependent on them through advertisements and similar bonds of friendship, and the average editorial writer quite naturally views the world and its problems through the colored spectacles of his masters.

The churches, especially the larger and wealthier, are also supported by the money interests, and their ministers in most cases quite innocently and sincerely deliver the message of Christ in the version of the factory superintendent.

The public schools suffer from the same malign political influences which corrupt the city councils, and the colleges and universities are often founded, endowed or supported by benevolent capitalists on the tacit condition that science is at all times to remain respectable and respectful.

The existence of an "independent" press and the occasional type of the progressive preacher and the radical college professor only prove that exceptionally vigorous spirits may assert themselves in spite of the corrupting influences of capitalist economic pressure. They justify the hope of Socialism, but do not mitigate the evils of capitalism. . . .

#### EVILS FLOW FROM A COMMON SOURCE.

It seems to me quite clear that so long as the sources of popular knowledge and faith and the organs of public expression are monopolized by private capitalist interests, so long will they serve the same purpose as the privately owned tools of production—to fortify the capitalist rule.

Thus the most serious defects in our scheme of social arrangement may be readily traced to one common source—the system which hands over to a relatively small number of favored individuals the very key to the life and welfare of the whole people, the sources of life and the tools of work,

and allows them to monopolize wealth, power, ease and culture, leaving the majority of their fellowmen to struggle in poverty, dependence, toil and ignorance—the anarchistic, predatory, demoralizing and corrupting system of capitalism.

It is no answer to the Socialist indictment to say that with all its shortcomings modern civilization is superior to all conditions of the past.

The modern or *capitalist* era has introduced certain grave social problems unknown to the past. It has increased the risks and the insecurity of the working population, it has intensified social contrasts and has reared a new social power of unprecedented virulence and menace, the money power. But with all that the Socialists cheerfully admit that, on the whole, life is more propitious today even to the masses than it was at any time in the past. The very foundation of their optimistic philosophy rests on the realization of the world's never ceasing process of betterment.\*

### THE OUTCOME.

The culmination of the Socialist theory of social evolution is the reasoned prediction that the capitalist system will be supplanted by a system of co-operative ownership and operation. Nevertheless, there are diverse views as to how this change may come—whether as a breakdown, like the collapse of a worn-out machine, and the substitution of a new social mechanism, or by the gradual alteration of one after one of its institutions and constituent parts until the whole has been transformed. There are, no less, diverse views as to the leading factors making for this change. The following passage portraying the outcome is by one of the popular interpreters of Marx:

BY LOUIS B. BOUDIN.

The breakdown of the capitalistic system of production leading to social revolution will be brought about by the

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\*"Socialism: Promise or Menace?" pp. 15-25.

inherent contradictions of the capitalistic system of production itself.

The laws which govern the capitalistic form of production will ultimately lead to the extinction of the middle strata of society as independent, property-owning, classes and divide society into two classes: the very small minority owning all the wealth of society, and the large mass of the people, the working class, who own nothing, not even their own bodies if they want to keep from starvation. At the same time the development of machinery will continue to throw more and more workingmen out of employment and make the share of those workingmen who are employed in the product produced by them continually smaller.

The productive forces of society will not only become fettered, so that they will largely have to remain idle, but even that portion which will not remain in enforced idleness will be able to produce only with tremendous accompanying waste and convulsive interruptions, until finally, a point will be reached when, by the very conditions of capitalistic production, because of the large portion of the working class out of employment and the small share of the goods produced by them received by the employed workingmen in return for their labor, there will accumulate such an enormous mass of goods which the capitalists will be unable to dispose of, that is to say, find a market for, that production will have to be indefinitely suspended, unless a new basis of production be found.

#### THE MISSION OF THE WORKING CLASS.

Meanwhile the discontent of the working class has been growing, and the sense of the injustice done to it accumulating. It has developed a code of ethics of its own. Having no property themselves, the workingmen have lost all sense of the sacredness of private property. Most property being owned by corporations having "no body to be kicked and no soul to be damned," they fail to see the necessity of private ownership or the usefulness of private owners.

They have nothing to lose, and they have grown bold. They have forgotten their duties to their families, for which they can do nothing and which are, for the most part, their independent co-workers instead of dependents, but their sense of duty to their class has been constantly growing upon them during the long period of struggle preceding the final encounter.

The working class has been organized by the very process of capitalistic production and exploitation. It has been educated to understand its own powers and possibilities. It is animated by the world-historic mission devolved upon it. It contains within its own ranks all the elements necessary for conducting the production of society on a higher plane, so as to utilize all the productive powers of society. The mechanical development of productive forces requires production on a large co-operative basis. The working class takes possession of the social machinery, and the real history of human society begins—the co-operative commonwealth.\*

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\*"The Theoretical System of Karl Marx," pp. 18-19.

## IV.

## A SYSTEM OF POLITICAL ECONOMY.

Socialism in the sense of a system of political economy is concerned with the laws and processes of modern industry. It is an analysis and an explanation of the methods of producing and distributing, by wage labor, goods for sale. As in the case of the Socialist theory of social evolution, so also in that of Socialist political economy, the originator was Karl Marx. Socialists do not, however, hold Marx to have been infallible, any more than scientists hold Darwin to have been infallible. "Marxism," says Hillquit, "is a living, progressive theory of a live, growing and concrete social movement, not an ossified dogma nor a final revelation. And the disciples of Marx have always shown a true appreciation of the spirit of their master by developing, extending and, when necessary in the light of newer developments, even modifying his teachings." The course of capitalism has altered somewhat since Marx's time, and new interpretations have been rendered necessary. Nevertheless, the groundwork of Socialist theory remains Marxian.

As a part of the subject matter of this section will be more fully treated in the following pamphlet, "The Science of Socialism," no more than a concise summary will be given here.

## CAPITALISM.

To comprehend Socialist political economy, it is first necessary to understand the meaning given by Socialists to the fundamental terms, such as "capitalism," "capital," "commodity," "use value," "exchange value," "surplus value," "profit," "price" and "labor-power."

By capitalism is meant that system or stage of society in which the greater part of production is carried on by employers, who use an accumulated stock of wealth to acquire machinery and raw materials and to hire labor to produce goods for sale at a profit. The system of capitalism is extremely modern. Though it had its origins in the break-up of feudalism, not until toward the end of the eighteenth century, when steam was applied to factory operation, did it become powerful, and not until within the last 50 years has it become generally predominant. Its distinguishing character is the production, by wage labor, of articles not for the use of the maker, but for sale in the markets. Says Boudin:

The distinctive feature of capitalist production, that

which gives it its character, is that under this system man does not produce *goods* but *commodities*, that is, "wares and merchandise." In other words, he does not produce things which he wants to use himself, and because he wants to use them to satisfy some want of his, but things which he does not want to use himself but which can be disposed of by him to others, caring nothing whether and in what manner the others will use them. Instead of producing *goods* for his own use, as people used to do in former days, under other systems of production, he produces *commodities for the market*. Marx, therefore, begins his great investigation of the capitalist mode of production with the following words: "The wealth of those societies in which the capitalist mode of production prevails, presents itself as an immense accumulation of commodities, its unit being a single commodity."\*

### CAPITAL.

Capital is said by Ernest Untermann to be an "economic relationship," and by Spargo to be a "social relation." The meaning is that wealth used in production becomes capital only under certain conditions. It is perhaps better, for present purposes, to make the definition less abstract and to say that capital is accumulated wealth used through the medium of wage labor to produce further wealth. In the words of Untermann:

Land may be capital. Tools may be capital. Articles of consumption and raw materials may be capital.

But none of these things are capital, unless they are stamped with the typical mark of capital. That mark is that these things must be means to rob the laborer of the products of his toil. Labor and labor-power can never be capital in the hands of the laborer. So long as the relationship of capital and labor exists, labor is always the exploited part. . . .

The things used as capital are not in themselves capi-

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\*"The Theoretical System of Karl Marx," p. 54.



tal. They may become capital only under certain very definite social conditions, under which different economic classes struggle for the control of the products of labor. . . . The exploitation of the labor of the working classes . . . is *the* source of capital. But the source alone is not enough to impress a thing with the trade-mark of capital. Something else is needed. There may have been epochs in which the working classes were exploited and yet they were not exploited by capital.

This other requirement is trade. The products of labor must be sold at a profit, in order that the means of exploitation may assume the character of capital.\*

#### THE COMMODITY AND ITS VALUE.

Since an analysis of capitalist production must depend upon ascertaining the nature of a commodity, a definition of that article will be given first; and since use value and exchange value are integral attributes of a commodity, these terms must also be explained in the definition. In the words of Joseph E. Cohen:

A commodity is something bought and sold. It is an article that satisfies some human want or fancy. It is a product of labor. But while every commodity is a product of labor, every product of labor is not a commodity.

Every product of labor that serves a useful purpose has use value. Yet a thing may be very useful to the man who makes it, such as the raft of the backwoodsman, and not be a commodity.

To be a commodity, a product of labor must bring a price upon the market. It must be a common object of trade and produced with the end in view of being exchanged for money—of being sold. In addition to having use value, to be a commodity it must possess exchange value.

Use value may be a personal affair; exchange value is a social relation.

It is the possession of exchange value that turns a labor product into a commodity. Under all systems of production

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\*"Marxian Economics," pp. 28-29.

articles are produced for their use value. It is the particular production of exchange values, or commodities, that distinguishes capitalism from feudalism, chattel slavery and primitive communism.\*

### LABOR AND LABOR-POWER.

The most significant commodity on the capitalist market is the labor-power of the wage-worker, that is, the brain and muscle power of those who have no other means of existence but the sale of their power, of their own bodies, to some master for a stipulated sum. What the laborer sells to the capitalist is not labor; but the commodity, labor-power, is bought by the capitalist for the purpose of being consumed by him. He buys it at its market price, as he does all other commodities, and consumes it by putting it to work for his own benefit. . . .

Labor-power has one quality by which it differs from all other commodities. When it is productively consumed by the capitalist it does not merely produce other commodities, but it reproduces itself. A part of its product passes into the hands of the capitalist, is taken to the market and sold, and the money received for it is used to buy new raw materials, machinery, labor-power, and to pay the individual expenses of the capitalist. That portion which is spent for the purchase of labor-power passes into the hands of the laborer as wages and is used by him for the reproduction and conservation of his labor-power. The laborer buys with his wages necessities of life, builds up new labor-power and offers it again to the same or to some other capitalist for renewed productive consumption.\*\*

### LABOR THE SOURCE OF VALUE.

In the exchange of commodities the very fact of an equation shows that there exists in each commodity some-

\*"Socialism for Students," p. 33.

\*\*Untermann: "Marxian Economics," pp. 169-170.

thing common to all; all such commodities can be reduced to a common factor. This common factor is, evidently, not a natural property of products, but something which natural products have acquired, thus making them commodities. Now, what is it that, applied to these natural products gives them value? The answer is human labor. . . .

Capital, of course, is used by labor in the production of value, and that part which is consumed passes over and is embodied in the new product. While labor uses capital in production of values, capital is not the source of value; labor alone is the source and creator of all value. When we say that labor creates all value, it is not meant that land and capital are not factors of production, but that labor alone is the active factor, the others being passive. . . .

We need to keep constantly in mind that the labor which is implied is social labor—the labor-time socially necessary. It is not individual or concrete labor that measures value, but the social or abstract labor. . . .

Value, then, means labor-worth. It is “value in labor” or “value in exertion,” and is determined by the quantity of abstract human labor. It is measured by the average labor-time requisite to produce a commodity under average conditions and with average efficiency on the part of labor. The value of any commodity, then, is determined by the quantity of abstract human labor embodied in it, or required for its production or reproduction.\*

### VALUE AND PRICE.

We may speak of use value, or utility, by which we mean “the power which any article possesses to satisfy some human want or desire.” And we may speak of exchange value, or simply value, by which we mean “the power which any commodity possesses of commanding in exchange some definite quantity of any other commodity.” We speak of price more often than of value, and with most persons the terms are used almost

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\*Charles H. Vail: “Principles of Scientific Socialism,” pp. 35-50.

interchangeably. They have, however, a marked difference of meaning. In the words of Boudin:

We must not, however, confound price with value. Value is something which the commodity possesses when placed upon the market and before any price is paid for it, and it is because of this value that the price is paid for it. The value is the cause of the price. Furthermore, value and price do not always coincide in amount. The price of an article may be greater or less than its value, according to circumstances. The proof of this is the fact that things may be bought "cheap" or "dear," that is to say, for a price above or below their value. If the price of a thing and its value were the same, nothing could be bought either cheap or dear, because the price paid would be its value. . . .

Value is the norm about which the "haggling" of the market takes place, and the price which results from this "haggling" naturally gravitates towards its norm value. Price will be "cheap" or "dear" according to whether it is, in the estimation of the person making the valuation, below or above the actual value of the thing.\*

### SURPLUS VALUE.

As the theory that labor is the source of value is the foundation of Socialist political economy, so its culmination is the theory that the wealth of the capitalist class consists of the surplus value extorted from the workers. Roughly speaking, this surplus value is the difference between the wages received by the workers and the value created by them in production. It is further explained by Charles H. Vail as follows:

Surplus value is created . . . in buying and selling labor-power—buying it at its market value and selling it at its use value. Surplus value is the difference between the value of labor-power and the value of labor's product—between what labor creates and what it receives. . . .

The distinction between the process of producing value and the process of producing surplus value is in the exten-

\*"The Theoretical System of Karl Marx," pp. 66-67.

sion of the latter beyond the former. If the labor-power expended does not exceed the value advanced by the capitalist (wages) for the labor-power . . . then only value is produced. But if the process is extended beyond that point, the value created in excess becomes surplus value. The laborer is obliged to work during a portion of the day to produce the value of his labor-power—the value of his means of subsistence.

There are two ways in which surplus value can be produced. One method . . . is that of the prolongation of the working day beyond the time necessary to produce an equivalent for the value paid by the capitalist for the labor-power. But another method of accomplishing the same result is to shorten the time of the necessary labor. This adds to the surplus labor that which is taken from the necessary labor. The former is called "absolute surplus value," and the latter "relative surplus value." In order to create relative surplus value there must be an increase in the productiveness of labor, so that the means of subsistence, which determines the value of labor-power—will be decreased—so that an equivalent for the wages is produced in less time. This is the whole purpose of capitalist production—to increase the productiveness of labor and so decrease that portion of the day during which the laborer must work for his own benefit. The greater the productivity of labor, the less the value of the commodities, and also of labor power which depends on the value of the commodities.\*

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\*"Principles of Scientific Socialism," pp. 60-61.

## V.

## AN ORGANIZED INTERNATIONAL MOVEMENT.

As the Socialist movement from its origin to the present time will be fully treated in a succeeding pamphlet (No. III, "Socialism: A Historical Sketch") only the briefest mention can be given to it here. The following passage is from Mr. Hillquit's "Socialism: Promise or Menace?" pp. 3-4.

Like all other . . . practical mass movements, Socialism produces certain divergent schools, bastard offshoots clustering around the main trunk of the tree, large in number and variety, but insignificant in size and strength. Thus we hear of State Socialism, Socialism of the Chair, Christian Socialism and even Catholic Socialism . . . their chief function is to confuse the minds of the unwary critics of Socialism; but they have no part in the real life and development of the active Socialist movement.

The Socialism that counts . . . is that represented by the politically organized movement. This numbers its adherents by tens of millions, while the followers of all its secondary forms and variations in all countries are probably well within the hundred thousand mark.

The modern political movement of Socialism is world-wide in scope and is definite and uniform in conception and methods. The international Socialist movement consists of a chain of organizations or parties, rarely more than one in each country. These parties meet at regular intervals in convention to discuss principles, tactics and policies. The platforms, resolutions and constitutions adopted at such conventions are the supreme expression of the organized movement. Barring variations in phraseology, and allowing for differences of conditions and issues confronting the movement at different times and places, the declarations are practically identical in all cases. The dominant Socialist organizations of all countries are organically allied with one another. By means of an International Socialist Bureau

supported at joint expense, the Socialist parties of the world maintain uninterrupted relations with one another, and every three years they meet in international conventions, whose conclusions are accepted by all constituent national organizations.

## VI.

## A SOCIAL IDEAL.

## SOCIALISM AND THE STATE.

The persistence or dissolution of the state (that is, the political government), as that term is now understood, under Socialism, is a question that has been widely discussed. The position of Engels is well known. "The government of persons," he wrote, in his "Socialism, Utopian and Scientific," "is replaced by the administration of things and by the conduct of processes of production. The state is not 'abolished.' It dies out." Socialists of later times, however, have considerably modified this view. The outright class character of all states in Engels' time may well have been the main factor in prompting so sweeping a prediction. The state, however, is found to be an institution susceptible of constant change and even complete transformation to serve other purposes than those for which it was created. The following view, expressed by Mr. Hillquit, is believed to be the one now most generally held by Socialists throughout the world:

The modern state, originally the tool in the hands of the capitalist class for the exploitation of the workers, is gradually coming to be recognized by the latter as a most potent instrument for the modification and ultimate abolition of the capitalist class rule. In the general scheme of Socialism, the state has, therefore, the very important mission of paving the way for the transition from present conditions to Socialism. The state in that role is generally styled in the literature of Socialism the "period of transition," or the "transitional state." Beyond it lies the pure Socialist order.

Does that order still admit of the existence of a state, or must the state, as the product of class divisions in society, fall with the disappearance of those class divisions as asserted by Engels and his followers?

## ADAPTABILITY OF INSTITUTIONS.

At the first glance the proposition seems almost axiomatic—with the removal of the cause, the effect must



fail. But on closer analysis the question seems by no means free from doubt. A social institution may be called into life by certain conditions and for certain purposes, but may gradually adapt itself to new and entirely different conditions and purposes. In fact, the history of our civilization is replete with instances of social, political, religious and legal institutions which have long survived their original creating causes, and in an altered form have shown great vitality under new conditions.

The modern state exhibits many features that seem to indicate just such adaptability and vitality. The state, which came into being solely as an instrument of class repression, has gradually, and especially within the last centuries, assumed other important social functions, functions in which it largely represents society as a whole, and not any particular class of it. Instances of such functions of the modern state may be found in the system of public education, sanitary and health regulations, and in the institutions of police and criminal justice to the extent to which they secure the personal safety and security of all citizens. . . .

#### FUNCTIONS OF THE SOCIALIST STATE.

For the purposes of public works, health, safety and relief, the Socialist commonwealth will need vast material resources, probably more than the modern state, and these resources, in whatever form and under whatever designation, can come only from the wealth-producing members of the commonwealth—thus there must be a direct or indirect tax on the labor or income of the citizen. The collection of this tax, the direction of the industries and the regulation of the relations between the citizens, will require some laws and some rules or instruments for their enforcement; hence even the element of coercion cannot be entirely absent in a Socialist society, at least not as far as the human mind can at present conceive.

The Socialist society as conceived by modern Social-

ists differs, of course, very radically from the modern state in form and substance. It is not a class state, it does not serve any part of the population and does not rule any other part of the population; it represents the interests of the entire community; and it is for the benefit of the entire community that it levies taxes and makes and enforces laws. It is not the slaveholding state, nor the feudal state, nor the state of the bourgeoisie—it is a Socialist state, but a state nevertheless, and since little or nothing can be gained by inventing a new term, we shall hereafter designate the proposed organized Socialist society as the Socialist state.\*

## OUTLINES OF THE SOCIALIST STATE.

BY JOHN SPARGO.

### 1.

It would be absurd, and contrary to Socialist principles, to attempt to give detailed specifications of the Socialist state. There are, however, certain fundamental principles which are essential to its existence. Without them, Socialist society is impossible. If we can take these principles and correlate them, we shall obtain a suggestive outline of the Socialist state. So far we may safely proceed with full scientific sanction; beyond are the realms of fancy and dreams, the Elysian fields of Utopia.

Society consists of an aggregation of individuals, but it is something more than that; it is an organism, though as yet an imperfectly developed one. While the units of which it is composed have distinct and independent lives within certain limits, they are, outside of those limits, interdependent and interrelated. Man is governed by two great forces. On the one hand, he is essentially an egoist, ever striving to individual freedom; on the other hand, he is a social animal, ever seeking association and avoiding

\*"Socialism in Theory and Practice," pp. 98-100.

isolation. This duality expresses itself in the composition of society. There is a struggle between its members motivated by the desire for individual expansion; and, alongside of it, a sense of solidarity, a movement to mutual, reciprocal relations, motivated by the gregarious instinct. All social life is necessarily an oscillation between these two motives. The social problem in its last analysis is nothing more than the problem of combining and harmonizing social and individual interests and actions springing therefrom.

#### THE NOTION OF A SOCIALIST BUREAUCRACY.

In dealing with this social problem, the problem of how to secure harmony of social and individual interests and actions, it is necessary first of all to recognize that both the motives named are equally important and necessary agents of human progress. The idea largely prevails that Socialists ignore the individual motive and consider only the social motive, just as the ultra-individualists have erred in an opposite discrimination.

The Socialist state has been conceived as a great bureaucracy. Mr. Anstey gave humorous and vivid expression to this idea in *Punch* some years ago, when he represented the citizens of the Socialist state as being all clothed alike, known only by numbers, living in barracks, strangers to all the joys of family life, plodding through their allotted tasks under a race of hated bureaucrats, and having the solace of chewing gum in their leisure time as a specially paternal provision. Some such mental picture must have inspired Herbert Spencer's "Coming Slavery," and it must be confessed that the early forms of Socialist propaganda by pictures of imaginary co-operative commonwealths afforded some excuse for the idea. Most intelligent Socialists, if called upon to choose between them, would probably prefer to live in Thibet under a personal despotism, rather than under the rule of the hierarchies of some of these imaginary commonwealths which Utopian Socialists have depicted.

## FREEDOM THROUGH MUTUAL REGULATION.

The Socialist ideal may be said to be a form of social organization in which every individual will enjoy the greatest possible amount of freedom for self-development and expression; and in which social authority will be reduced to the minimum necessary for the preservation and insurance of that right to all individuals. There is an incontestable right of the individual to full and free self-development and expression. It is not, however, an *absolute* right, but is subject to such restrictions as may be necessary to safeguard the like right of another individual, or of society as a whole. *Absolute* personal liberty is not possible; to grant it to one individual would be equivalent to denying it to others.

If, in a certain community, a need is commonly felt for a system of drainage to save the citizens from the perils of a possible outbreak of typhoid or some other epidemic disease, and all the citizens agree upon a scheme except two or three, who, in the name of personal liberty, declare that their property must not be touched, what is to be done? If the citizens, out of solicitude for the personal liberty of the objecting individuals, abandon or modify their plans, is it not clear that the liberty of the many has been sacrificed to the liberty of the few, which is the essence of tyranny? Absolute individual liberty is incompatible with social liberty. The liberty of each must, in Mill's phrase, be bounded by the like liberty of all. Absolute personal liberty is a chimera, a delusion.

## JUSTICE THE BASIC PRINCIPLE.

The dual forces which serve as the motives of individual and collective action spring, unquestionably, from the fact that individuals are at once alike and unlike, equal and unequal. Alike in our needs of certain fundamental necessities, such as food, clothing, shelter, co-operation for producing these necessities, for protection from foes, human and other, we are unlike in tastes, temperament, character,

will and so on, till our diversity becomes as great and as general as our likeness. Now, the problem is to insure equal opportunities of full development to all these diversely constituted and endowed individuals, and, at the same time, to maintain the principle of equal obligations to society on the part of every individual. This is the problem of social justice: to insure to each the same social opportunities, to secure from each a recognition of the same obligations toward all. The basic principle of the Socialist state must be justice; no privileges or favors can be extended to any individuals or groups of individuals.

## 2.

Politically, the organization of the Socialist state must be democratic. Socialism without democracy is as impossible as a shadow without light. The word "Socialism" is a monstrous misnomer when applied to schemes of paternalism or government ownership which lack the essential, vital principle of democracy. Justice requires that the legislative power of society rest upon universal suffrage and the political equality of all men and women, except lunatics and criminals. It is manifestly unjust to exact obedience to the laws from those who have had no share in making them and can have no share in altering them. The only exceptions to this principle are (1) minors, children not yet arrived at the age of responsibility agreed upon by the citizens; (2) lunatics and certain classes of criminals; (3) aliens, non-citizens temporarily resident in the state.

### POLITICAL DEMOCRACY A PRIME REQUISITE.

Democracy in the sense of popular self-government, the "government of the people, by the people, and for the people," of which political rhetoricians boast, is only approximately attainable. While all can equally participate in the legislative power, all cannot participate directly in the administrative power, and it becomes necessary, therefore, to adopt the principle of delegated authority, representative government. Direct legislation by the people might be

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realized through the adoption of the principles of popular initiative and referendum, proportional representation and the right of recall.

Indeed, there is no apparent reason why *all* legislation, except temporary legislation as in war time, famine, plague and such abnormal conditions, should not be directly initiated and enacted, leaving only the just and proper enforcement of the law to delegated authority. In all the programs of Socialist parties throughout the world, the principles of popular initiative and referendum, proportional representation and the right of recalling representatives are included at the present time; not merely as means to secure a greater degree of real democracy within the existing social system, but also, and primarily, to prepare the required political framework of democracy for the industrial commonwealth of the future.

The great political problem for such a society consists in choosing wisely the trustees of this important social function and authority, and seeing that they rightly use it for the common good, without abuse, either for the profit of themselves or their friends, and without prejudice to any portion of society. There is no such thing as an "automatic democracy," and eternal vigilance will be the price of liberty under Socialism as it has ever been. There can be no other safeguard against the usurpation of power than the popular will and conscience ever alert upon the watch-towers.

### 3.

With these general principles prevised, we may consider, briefly, what are the respective rights of the individual and of society. The rights of the individual may be summarized as follows: There must be perfect freedom of movement, including the right to withdraw from the domain of the government to migrate at will to other territories; immunity from arrest, except for infringing others' rights, with compensation for improper arrest; respect of the privacy of domicile and correspondence;

full liberty of dress, subject to decency; freedom of utterance, whether by speech or publication, subject only to the protection of others from insult, injury or interference with their equal liberties. Absolute freedom of the individual in all that pertains to art, science, philosophy and religion, and their teaching or propaganda, is essential. The state can rightly have nothing to do with these matters; they belong to the personal life alone. Art, science, philosophy and religion cannot be protected by any authority. . . .

#### MARRIAGE AND THE STATE.

In this summary only certainties, imperative, essential conditions, have been included. Doubtless many Socialists would considerably extend the list of things to be totally exempted from collective authority and control. Some, for instance, would include the right of the individual to possess and bear arms for the defense of person and property. On the other hand, it might be objected with good show of reason by other Socialists that such a right must always be liable to abuses imperiling the peace of society, and that the same ends would be served more surely if individual armament were made impossible.

Other Socialists would include in the category of private acts outside the sphere of law the union of the sexes. They would do away with legal intervention in marriage and make it exclusively a private concern. On the other hand, again, many Socialists, probably an overwhelming majority, would object. They would insist that the state must, in the interest of the children and for its own self-preservation, assume certain responsibilities for, and exercise a certain control over, all marriages. While believing that under Socialism marriage would no longer be subject to economic motives—matrimonial markets for titles and fortunes no longer existing—and that the maximum of personal freedom together with the minimum of social authority would be possible in the union of the sexes, they would still insist upon the necessity of that minimum of

legal control. While, therefore, our hasty summary by no means exhausts the category of personal liberties, it is sufficiently comprehensive to show that individual freedom would by no means be crushed out of existence by the Socialist state. The intolerable bureaucracy of collectivism is wholly an imaginary evil.

#### THE STATE'S FUNCTION PRIMARILY ECONOMIC.

In the same general manner, we may summarize the principal functions of the state\* as follows: the state has the right and the power to organize and control the economic system, comprehending in that term the production and distribution of all social wealth wherever private enterprise is dangerous to the social well-being, or is inefficient; the defense of the community from invasion, from fire, flood, famine or disease; the relations with other states, such as trade agreements, boundary treaties, and the like; the maintenance of order, including the juridical and police systems in all their branches; and public education in all its departments. It will be found that these five groups of functions include all the services which the state may properly undertake, and that not one of them can be safely intrusted to private enterprise.

On the other hand, it is not necessary to assume that the state must have an *absolute* monopoly of any one of these groups of functions to be performed in the social organism. It would not be necessary, for example, for the state to prohibit its citizens from entering into voluntary relations with the citizens of other countries for the promotion of friendly international relations, for trade reciprocity and so on. Likewise the juridical functions being in the hands of the state would not prevent voluntary arbitration. Our study becomes, therefore, a study of social physiology.

\*I use the word "state" throughout in its largest, most comprehensive sense as meaning the whole political organization of society.



**CONTINUANCE OF PRIVATE INDUSTRY.**

The principle already postulated, that the state must undertake the production and distribution of social wealth wherever private enterprise is dangerous, or less efficient than public enterprise, clarifies somewhat the problem of the industrial organization of the Socialist regime, which is a vastly more difficult problem than that of its political organization. Socialism by no means involves the suppression of all private property and industry; only when these fail in efficiency or result in injustice and inequality of benefits does socialization present itself. There are many petty, subordinate industries, especially the making of articles of luxury, which might be allowed to remain in private hands, subject only to such general regulation as might be found necessary for the protection of health and the public order. On the other hand, there are things, natural monopolies, which cannot be justly or efficiently used by private enterprise. Land ownership and all that depends thereon, such as mining, transportation and the like, must of necessity be collective and universal.\*

In the Socialist state, then, certain forms of private industry will be tolerated, and perhaps even definitely encouraged, but the great fundamental economic activities will be socialized. The Socialist state will not be static, and consequently what at first may be regarded as being properly the subject of private enterprise may develop to an extent or in directions which necessitate its transformation to the category of essentially social properties. Hence, when the Socialist state is here spoken of, it is not by any means intended to describe the full limits of socialization, the fully developed collectivist commonwealth, but rather the opposite limits, the minimum of socialization; the conditions essential to that stage of social evolution at which it will be possible to speak of capitalism as a past and out-

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\*Of course, this does not mean that there must not be private USE of land.

grown stage, and of the present as the new era of Socialism.

#### THE SCOPE OF STATE OWNERSHIP.

Socialists, naturally, differ upon this point very materially. To the present writer, however, it would seem sufficiently comprehensive to say that the economic structure of the new society must include at least the following: (1) Ownership of all natural resources, such as land, mines, forests, oil wells and so on; (2) operation of all the means of transportation and communication other than those of purely personal service; (3) operation of all industrial production involving large capital and associated labor, except where carried on by voluntary, democratic co-operation; (4) organization of all labor essential to the public service, such as the building of schools, hospitals, docks, roads, bridges, sewers and the like; the construction of all the machinery and plant requisite to the social production and distribution, and of things necessary for the maintenance of those engaged in such public services as the national defense and all who are wards of the state; (5) a monopoly of the monetary and credit functions, including coinage, banking, mortgaging and the extension of credit to private enterprise.

With these economic activities undertaken by the state, a pure democracy differing vitally from all the class-dominated states of history, private enterprise would by no means be excluded, but limited to an extent making the exploitation of public interests and needs for private gain impossible. Socialism thus becomes the defender of individual liberty, not its enemy.

#### 4.

As the owner of the earth and all the major instruments of production and exchange, society would occupy a position enabling it to see that the physical and mental benefits derived from its wealth, its natural resources, its collective experience, genius and labor, were universalized

as befits a democracy. It would be able to guarantee the right to live by labor to all its citizens through preventing the monopolization of the land and instruments and social opportunities in general. It would be in a position to make every development from competition to monopoly the occasion for further socialization.

Thus there would be no danger to the state in permitting, or even fostering, private industry within the limits suggested. As the organizer of the vast body of labor essential to the operation of the main productive and distributive functions of society, and to the other public services, the state would be able to set the standard of living, alike with regard to income and leisure, which private industry would be compelled, by competitive force, to observe. The regulation of production, too, would be possible, and as a result the crises arising from glutted markets would disappear. Finally, in the control of all the functions of credit, the state would effectually prevent the exploitation of the mass of the people through financial agencies, which is perhaps the greatest evil of our present social system.

The application of the principles of democracy to the organization and administration of these great economic services of production, exchange and credit is a problem full of alluring possibilities of speculation. "This that they call the Organization of Labor," said Carlyle, "is the Universal Vital Problem of the World." It is the great central problem of the socialization of industry and the state, before which all other problems pale into insignificance. It is comparatively easy to picture an ideal political democracy; and the main structural economic organization of the Socialist regime, with its private and public functions more or less clearly defined, is not very difficult of conception. These are foreshadowed with varying degrees of distinctness in present society, and the light of experience illumines the pathway before us. It is when we come to the question of the *spirit* of the economic organization of the future, the methods of direction and management, that the

light fails and we must grope our way into the great unknown with imagination and our sense of justice for guides.

#### BUREAUCRATIC CONTROL OF PRESENT STATE ENTERPRISES.

Most Socialist writers who have attempted to deal with this subject have simply regarded the state as the greatest employer of labor, carrying on its business upon methods not materially different from those adopted by the great industrial corporations of today. Boards of experts, chosen by civil service methods, directing all the economic activities of the state, such is their general conception of the industrial democracy of the Socialist regime. They believe, in other words, that the methods now employed by the capitalist state, and by individuals within the capitalist state, would simply be extended under the Socialist regime. If this be so, a psychological anomaly appears in the practical abandonment of the claim that, as a result of the class conflict in society, the public ownership evolved within the capitalist state is essentially inferior to the public ownership of the Socialist ideal. It is perfectly clear that if the industrial organization under Socialism is to be such that the workers employed in any industry have no more voice in its management than the postal employes in this country have at the present time, it cannot be otherwise than absurd to speak of it as an industrial democracy.

Here, in truth, lies the crux of the greatest problem of all. We must face the fact that, in anything worthy of the name of an industrial democracy, the terms and conditions of employment cannot be decided wholly without regard to the will of the workers themselves on the one hand, nor, on the other hand, by the workers alone without reference to the general body of the citizenry. If the former method fails to satisfy the requirements of democracy by ignoring the will of the workers in the organization of industry, the alternative method involves a hierarchical government, equally incompatible with democracy. Some way

must be found by which the industrial government of society, the organization of production and distribution, may be securely based upon the dual basis of common civic rights and the rights of the workers in their special relations as such.

#### PARTICIPATION OF THE WORKERS IN ADMINISTRATION.

In the actual practice today, in those industries in which the organization of the workers into unions has been most successful, the workers, through their organizations, do exercise a certain amount of control over the conditions of their employment. They make trade agreements, for instance, in which such matters as wages, hours of labor, apprenticeship, output, engagement and discharge of workers and numerous other matters of a like nature, are made subject to the joint control of the employers and the workers. Of course, this share in the control of the industry in which they are employed is a right enjoyed only as the fruit of conquest, won by war and maintained only by ceaseless vigilance and armed strength. It is not inconceivable, however, that in the Socialist state there might be a frank extension of this principle. The workers in the main groups of industries might form autonomous organizations for the administration of their special interests, subject only to certain fundamental laws of society and its government. Thus, the trades unions would become administrative politico-economic organizations, after the manner of the mediaeval guilds, instead of mere agencies of class warfare as at present.

The economic organization of the Socialist state would consist, then, of three distinct forms, as follows: (1) Private production and exchange, subject only to such general supervision and control by the state as the interests of society demand, such as protection against monopolization, sanitary laws, and the like; (2) voluntary co-operation, subject to similar supervision and control; (3) production and exchange by the state, the administration to be by the

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autonomous organizations of the workers in industrial groups, subject to the fundamental laws and government of society as a whole.

5.

Two other functions of the economic organization of society remain to be considered, the distribution of labor and its remuneration. In the organization of industry society will have to achieve a twofold result, a maximum of general, social efficiency, on the one hand, and of personal liberty and comfort to the workers on the other. The state would not only guarantee the right to labor, but, as a corollary, it would impose the duty of labor upon every competent person. The Pauline injunction, "If any man will not work, neither shall he eat," would be applied in the Socialist state to all except the incompetent to labor. The immature child, the aged, the sick and infirm members of society, would alone be exempted from labor. The result of this would be that instead of a large unemployed army, vainly seeking the right to work, on the one hand, accompanied by the excessive overwork of the great mass of the workers fortunate enough to be employed, a vast increase in the number of producers from this one cause alone would make possible much greater leisure for the whole body of workers. Benjamin Franklin estimated that in his day four hours' labor from every adult male able to work would be more than sufficient to provide wealth enough for all human wants; and it is certain that, without resorting to any standards of Spartan simplicity, or denying luxury and beauty to any individual, Franklin's estimate could be easily realized with anything approaching a scientific organization of labor.

ELIMINATION OF USELESS OCCUPATIONS.

Not only would the productive forces be enormously increased by the absorption of those workers who under the present system are unemployed, and those who do not labor or seek labor; in addition to these, there would be a tre-

mendous transference of potential productive energy from occupations rendered obsolete and unnecessary by the socialization of society. Thus, there are today tens of thousands of lawyers, bankers, traders, middlemen, speculators and others, whose functions necessary to the capitalist system, would, in most cases, cease to have any value. They would be compelled because of this to enter the producing class. The possibilities of the scientific organization of industry are almost unlimited. Every gain made by the state in the direction of economy of production would test the private enterprise existing and urge it on in the same direction. Likewise, every gain made by the private producers would test the social production and urge it onward. Whether socialized production extended its sphere, or remained confined to its minimum limitations, would depend upon the comparative success or failure resulting. The state would not be able to arbitrarily extend its functions. The decision would rest with the people, who would, naturally, resort to social effort wherever it demonstrated its ability to perform any function more efficiently than private enterprise, with greater advantages of comfort and liberty to the community and to the individual.

#### FREE CHOICE OF PURSUITS.

While in the Socialist regime labor would be compulsory, it is inconceivable that a free people would tolerate a bureaucratic rule assigning to each individual his or her proper task, no matter how ingenious the system of assignment might be. Just as it is necessary to insist that all must be secured in their right to labor, and required to labor, it is necessary also that the choice of one's occupation should be as far as possible personal and free, subject only to the laws of supply and demand. The greatest amount of personal freedom compatible with the requisite efficiency would be secured to the workers in their chosen occupations through their craft organizations.

But, it will be objected, all occupations are not equally

desirable. There are certain forms of work which, disagreeable in themselves, are just as essential to the well-being of society as the most artistic and pleasing. Who will do the dirty work, the hard work, the dangerous work, under Socialism? Will these occupations also be left to choice, and, if so, will there not be an insurmountable difficulty arising from the natural reluctance of men to choose such work?

## 6.

In affirming the principle of free choice the Socialist is called upon to show that the absence of compulsion would not involve the neglect of these disagreeable, but highly important, social services; that it would be compatible with social safety to leave them to personal choice. In the first place, much of this kind of work that is now performed by human labor could be more efficiently done by mechanical means. Much of the work done by sweated women and children in our cities is in fact done in competition with machines. Machinery has been invented, and is now available, to do thousands of the disagreeable and hurtful things now being done by human beings. Professor Franklin H. Giddings is perfectly right when he says: "Modern civilization does not require, it does not need, the drudgery of needlewomen or the crushing toil of men in a score of life-destroying occupations. If these wretched beings should drop out of existence and no others take their places, the economic activities of the world would not greatly suffer. A thousand devices latent in inventive brains would quickly make good any momentary loss."\*

When, in England, a law was passed forbidding the practice of forcing little boys through chimneys, to clean them, chimneys did not cease to be swept. Other, less disagreeable and less dangerous, means were quickly invented. When the woolen manufacturers were prevented from employing little boys and girls, they invented the piecing ma-

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\*"Ethics of Social Progress," by Professor Franklin H. Giddings in "Philanthropy and Social Progress" (1893), p. 226.



chine.\* Thousands of instances might be compiled to support the contention of Professor Giddings, equally as pertinent as these. Another important point is that the amount of work to be done would be very much less than now. That would certainly result from the scientific organization of industry. I suspect that, if the subject could be properly investigated, it could be shown that the amount of such labor involved in wasteful and unnecessary advertising alone is enormous.

#### MAKING DISAGREEABLE TASKS ATTRACTIVE.

Still, with all possible reduction of the quantity of such work to be done, and with all the mechanical genius possible, it may be freely conceded that there would be some work quite dangerous, altogether disagreeable and repellent, and a great difference in the degree of attractiveness in some occupations as compared with others. But an occupation repellent in itself might be made attractive, if the hours of labor were relatively few as compared with other occupations. If six hours be regarded as the normal working day, it is quite easy to believe that, for sake of the larger leisure, with its opportunities for the pursuit of special interests, many a man would gladly accept a disagreeable position for three hours a day.

The same holds true of superior remuneration. Under the Socialist regime, just as today, many a man would gladly exchange his work for less pleasant work, if the remuneration offered were higher. To the old Utopian ideas of absolute equality and uniformity these methods would be fatal, but they are not at all incompatible with modern, scientific Socialism. Finally, we must not forget that there is a natural inequality of talent, of power. In any state of society most men will prefer to do the things they are best fitted for, the things they can do easiest and best. And the man who feels himself best fitted to be a hewer of wood or drawer

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\*"The Economics of Factory Legislation," in "The Case for the Factory Acts," edited by Mrs. Sidney Webb, p. 50.

of water will choose that rather than some loftier task. There is no reason at all to suppose that leaving the choice of occupation to the individual would involve the slightest risk to society.

That equality of remuneration is not an essential condition of the Socialist regime, we have already seen. It may be freely admitted, however, that the ideal to be aimed at, ultimately, must be *approximate* equality of income. Otherwise, class formations must take place and the old problems incidental to economic inequality reappear. With such an industrial democracy as I have suggested as being essential to the Socialist state, there is little doubt that this result would be gradually attained. Let us consider briefly now the method of the remuneration of labor.

#### THE MATTER OF WAGES.

Socialists are too often judged by their shibboleths rather than by the principles which those shibboleths imperfectly express, or seek to express. Declaiming, rightly, against the wages system as a form of slave labor, the "abolition of wage slavery" forever inscribed on their banners, the average man is forced to the conclusion that the Socialists are working for a system in which the workers will divide their actual products and then barter the surplus for the surplus products of other workers. Either that, or the most rigid system of governmental production and a method of distributing rations and uniforms similar to that which obtains in the military organization of present-day governments. It is easily seen, however, that such plans do not, on the one hand, conform to the democratic ideal of the Socialists, nor would either of them, on the other hand, be compatible with the wide personal liberty herein put forward as characteristic of the Socialist state.

The earlier Utopian Socialists did propose to do away with wages; in fact, they proposed to abolish money altogether, and invented various forms of "labor notes" as a means of giving equality of remuneration for given quan-

tities of labor, and providing a medium for the exchange of wealth. But when the Socialists of today speak of the "abolition of wages," or of the wages system, they use the words in the same sense as they speak of the abolition of capital; *they would abolish only the social relations implied in the terms.* Just as they do not mean by the abolition of capital the destruction of the machinery and implements of production, but the social relation in which they are used to create profit for the few; so, when they speak of the abolition of the wages system, they mean only the use of wages to exploit the producers for the gain of the owners of the means of production and exchange.

#### DIVIDENDS FOR LABOR AND SERVICE.

Though the name "wages" might not be changed, a money payment for labor in a democratic arrangement of industry, representing an approximation to the full value of the labor, minus only its share of the cost of maintaining the social services, and the weaker, dependent members of society, is vastly different from a money payment for labor by one individual to other individuals, representing an approximation to their cost of living, bearing no relation to the value of the labor products, and paid in lieu of those products with a view to the gathering of a rich surplus by the payer.

Karl Kautsky, perhaps the greatest living exponent of the theories of modern Socialism, has made this point perfectly clear. He accepts without reserve the belief that wages, unequal and paid in money, will be the method of remuneration for labor in the Socialist regime. When too many laborers rush into certain branches of industry, the natural way to lessen their number and to increase the number of laborers in other branches where there is need for them, will be to reduce wages in the one and to increase them in the other. Socialism, instead of being defined as an attempt to make men equal, might perhaps be more justly and accurately defined as a social system based upon the nat-

ural inequalities of mankind. Not human equality, but equality of opportunity to prevent the creation of artificial inequalities by privilege, is the essence of Socialism.

\* \* \* \* \*

#### CONCLUSION.

In this brief suggested outline of the Socialist state, the aim has been to show that the Socialist ideal is far from being the network of laws commonly imagined, or the mechanical arrangement of human relations devised by Utopian romancers. If the Socialist propaganda of today largely consists of the advocacy of laws, it must be remembered that these are to *ameliorate conditions in the existing social system*. The Socialist ideal of the state of the future is not a life completely enmeshed in a network of government, but a life controlled by government as little as possible—a maximum of personal freedom with a minimum of restraint.

These things shall be! A loftier race  
Than e'er the world hath known shall rise,  
With flower of freedom in their souls,  
And light of science in their eyes. \*

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\*"Socialism" (1906), pp. 211-239. The concluding lines are from a poem entitled "A Vista," by John Addington Symonds.



# BOOKS

## Mentioned in This Pamphlet

For Sale by the Appeal Book Department

- Socialism Summed Up.** By Morris Hillquit. New York: The Metropolitan Magazine Company. Pages, 110. Paper, 25 cents.
- Marxian Economics.** By Ernest Untermann. Chicago: Charles H. Kerr & Co. Pages, 252. Cloth, \$1.
- The Struggle for Existence.** By Walter Thomas Mills. Berkeley, Cal.: The International School of Social Economy. Pages, 635. Paper, 50 cents. (Special edition.)
- Capitalist and Laborer.** By John Spargo. Chicago: Charles H. Kerr & Co. Pages, 122. Cloth, 50 cents. (Out of print.)
- The Communist Manifesto.** By Karl Marx and Friedrich Engels. New York: Socialist Literature Co. Pages, 46. Paper, 10 cents.
- Mass and Class.** By W. J. Ghent. New York: The Macmillan Company. Pages, 256. Cloth, \$1.25.
- Introduction to Socialism.** By Noble A. Richardson. Chicago: Charles H. Kerr & Co. Pages, 64. Paper, 5 cents.
- Socialism.** By John Spargo. New York: The Macmillan Company. Pages (1906 edition), 250. Cloth, \$1.25. (There is also a revised and enlarged edition published in 1910.)
- The Truth About Socialism.** By Allan L. Benson. New York: B. W. Huebsch. Pages, 188. Paper, 25 cents.
- Socialism: Promise or Menace?** By Morris Hillquit and John A. Ryan. New York: The Macmillan Company. Pages, 265. Cloth, \$1.50.
- The Theoretical System of Karl Marx.** By Louis B. Boudin. Chicago: Charles H. Kerr & Co. Pages, 277. Cloth, \$1.
- Socialism for Students.** By Joseph E. Cohen. Chicago: Charles H. Kerr & Co. Pages, 153. Cloth, 50 cents.
- Principles of Scientific Socialism.** By Charles H. Vail. Chicago: Charles H. Kerr & Co. Pages, 232. Cloth, \$1.
- Socialism in Theory and Practice.** By Morris Hillquit. New York: The Macmillan Company. Pages, 356. Cloth, \$1.50.

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