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**MODERN SOCIALISM**





# MODERN SOCIALISM

BY

REV. CHARLES H. VAIL

*Author of the "National Ownership of Railways"*

"Read not to contradict nor believe, but to weigh and consider"

FRANCIS BACON



NEW YORK

COMMONWEALTH COMPANY

28 LAFAYETTE PLACE

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## PREFACE.

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IT has been my purpose in this volume to present, in as concise a form as practicable, the principles and purposes of Socialism.

The growth of Socialism has been phenomenal. Its rapid spread surpasses that of early Christianity, with which it has many features in common. It has become international and cosmopolitan in character.

The importance of the movement is sufficient reason for the publication of this book, but this is not the principal reason it is put forth. As a clergyman, believing in the Kingdom of God, and realizing our apparent distance from the ideal, some years ago I began to seek a solution of the problem. I had not proceeded far upon my investigation before being impressed by the incongruity between the demands of the Kingdom of God, and the demands of our economic system. I saw clearly their incompatibility, and the hopelessness of realizing the former under the environment of the latter. I became convinced after a careful study of the various phases of sociological thought, that it is useless to hope that the ideal of the ages—peace, justice and plenty—would be realized under the antagonisms of our competitive system. But to substitute co-operation for competition would be Socialism.

There have been so much calumny and vituperation heaped upon this word, due partly to ignorance and prejudice and

partly to wilful misconception, that my first thought was to do as many have done,—adopt the theory under the name Nationalism, Mutualism, or Collectivism. But no word is so well adapted to express the doctrine of the social ownership and management of the means of production and distribution as Socialism. It stands for one of the highest ideals of which it is possible for the human mind to conceive. I decided, therefore, not to be swayed by ignorance and prejudice, nor by the calumny of the privileged classes. People are beginning to understand the meaning of Socialism, and the aversion to the use of the word will surely disappear, in spite of the misrepresentations employed by the defenders of capitalism to discredit it before the world. In fact, it is rapidly disappearing. So great has been the change of late that even to-day one need not hesitate to proclaim himself a Socialist.

Prof. Ely informs us that nearly all the great Economists are believers in industrial democracy, which is Socialism. The highest possibilities can only be realized by united effort. There would have been but little progress had men not united their efforts for the good of the common weal. The procedure under the haphazard methods of private enterprise is akin to barbarism. We have already, in many fields, replaced chance and private enterprise with intelligent co-operation, and we need but extend the principle to realize the ideal. The very basis of society is co-operation, and civilization is measured by the extent of its attainment.

In this period of modern industry the progress of concentration has been so accelerated that the prophecy of complete unification is no longer considered Utopian. This inevitable evolution of the social order has not only evidenced the possibility of Socialism, but also its necessity.

Being thus convinced that Socialism is the only solution of modern problems and absolutely essential to a higher

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state of civilization, I have written this book, hoping that it may contribute to a better understanding of the subject, and may thus hasten the new social order, expressive of the brotherhood of man and the solidarity of human interests.

All the economic features of Socialism have been treated and the usual objections noted, and I think satisfactorily answered.

I send this book forth, hoping that its pages may be perused in the spirit of fairness, and that it may be the means of winning adherents to the cause it represents.

CHARLES H. VAIL.

JERSEY CITY, N. J.,  
April, 1897.





# MODERN SOCIALISM.

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## CHAPTER I.

### THE MEANING OF SOCIALISM.

THE word Socialism, which is of English origin, was first used in 1835. A variety of meanings have been attached to the term, it often being employed in a broad and general sense, signifying the rejection of selfishness, and affirming altruism as the principle of social action. It thus recognizes Society as a growing organism, and not a mere aggregation of individuals. In this sense of the word the great Economists of all ages have been Socialists, in contradistinction to a small class called Individualists. Professor Ely quotes from Dr. Wescott, Bishop of Durham, the following definition of Socialism, which well indicates the distinction between these two classes:—"Individualism regards humanity as made up of disconnected or warring atoms. Socialism regards it as an organic whole. . . . The aim of Socialism is the fulfilment of service; the aim of individualism is the attainment of some personal advantage—riches, place, or fame. Socialism seeks such an organization of life as shall secure for every one the most complete development of his powers; individualism seeks primarily the satisfaction of the particular wants of each one, in the hope that the pursuit of private interests will, in the end, secure public welfare."<sup>1</sup>

But the word Socialism has come to be employed in a

<sup>1</sup> *Socialism and Social Reform*, p. 4.

more definite and economic sense, and signalizes an industrial society of which the main features are clear and distinct. This economic system is commonly denominated "Scientific Socialism." That we may attain a clear conception of what this means, let me give a few definitions which will clear away certain popular and inaccurate ideas, and at the same time present the most salient points in the programme of Socialism.

Professor Ely defines Socialism as follows:—"Socialism is that contemplated system of industrial society which proposes the abolition of private property in the great material instruments of production, and the substitution therefor of collective property; and advocates the collective management of production, together with the distribution of social income by society, and private property in the larger proportion of this social income."<sup>1</sup>

Dr. Schaffle, in his *Quintessence of Socialism*, gives the following as the real aim of Socialism:—"To replace the system of private capital (i. e. the speculative method of production, regulated on behalf of society only by the free competition of private enterprises) by a system of collective capital, that is, by a method of production which would introduce a unified (social or "collective") organization of national labor, on the basis of collective or common ownership of the means of production by all the members of the society. This collective method of production would remove the present competitive system, by placing under official administration such departments of production as can be managed collectively (socially or co-operatively), as well as the distribution among all of the common produce of all, according to the amount and social utility of the productive labor of each."<sup>2</sup>

<sup>1</sup> *Socialism and Social Reform*, p. 19.

<sup>2</sup> *Quintessence of Socialism*, p. 3.

Mr. Thomas Kirkup in his book, *An Inquiry into Socialism*, says :—"The essence of Socialism is this : it proposes that industry be carried on by associated laborers jointly owning the means of production (land and capital). Whereas industry is at present conducted by private and competing capitalists served by wage labor, it must in the future be carried on by associated labor, with a collective capital, and with a view to an equitable system of distribution" (p. 11).

The Standard Dictionary defines Socialism as :—"A theory of civil polity that aims to secure the reconstruction of society, increase of wealth, and a more equal distribution of the products of labor through the public collective ownership of land and capital (as distinguished from property), and the public collective management of all industries. Its motto is, 'Every one according to his deeds.'"

These definitions give in general outline the meaning of Socialism (which has come to denote a specific theory of industrial society) as contradistinguished from capitalism.

We learn from these definitions that one of the primal elements of modern Socialism is the common ownership of the instruments of production. Society as a whole would supplant individual control of land and capital, that the advantages of ownership may accrue to the collectivity. With the socialization of the means of production, interest and rent, the remuneration of private ownership will cease.

The accomplishment of this result is easy of imagination, inasmuch as the post-office has already been socialized, and in some countries the telegraph and railways. The extension of the process until all the means of production are brought under collective control, would realize the ideal. Exclusive social ownership, however, is not necessarily implied, but the centralization must be extended so that the collective ownership shall dominate and control all other

ownership. All the great instruments of production must become collective property. This would confine the social action of individuals within narrow limits, but would not inhibit their acquisition on a small scale of the means of production. Their restraint, however, would not be arbitrary but indirect, through the superior results of social production.

The ownership of the means of production carries with it another element in Socialism,—the collective management of production. This is in order that the benefits of production may accrue to society as a whole, and that production may proceed in accordance with public need. When production is carried on as now for private profit, it ceases as soon as it becomes unprofitable. But under Socialism production would be for the purpose of satisfying our needs, and so would continue as long as our wants remained unsatisfied; until that end is attained there can be no real over-production. This, of course, would be impossible under the capitalistic system, where production is carried on for profit and the benefit of private individuals. As soon as the profit to the managers ceases the production ceases.

Under the Socialist *régime*, production would be conducted for consumption and not for exchange; the greater the production, the more ample the means of satisfying our wants. Society, of course, would furnish employment for all who desire it, each person being assigned some function which would render him useful. Under such a system the problem of the unemployed would be inconceivable. Not only could all find employment, but all would have to avail themselves of it, for there would be no income without personal exertion.

Another important element of Socialism is the distribution of the income of society,—the wealth co-operatively produced. Socialism aims at justice in distribution,—such a

distribution as will satisfy all needs and render to each the full product of his toil.

There is one other element of sufficient prominence to deserve mention here,—that of private property in income. Socialism does not propose to abolish private property in wealth as many seem to think, but rather to extend the institution of private property and make it more secure. While private property in the means of production would be reduced to a minimum, private property in the products of production would be greatly increased and extended. Socialism only desires to abolish private property in that which enables one to secure an income at the expense of another, without personal exertion. It simply involves a discontinuance of the payment of unearned incomes, and the addition to the income of laborers of that wealth which is now exacted from them. It declares that no man should be permitted to live in idleness, by levying a tax or tribute upon the labor of others. It proposes to abolish the idlers at both ends of the social scale. As all are consumers, so all who are physically and mentally able, should be producers.

Socialism, then, means Justice and Fraternity,—the Universal Brotherhood of Man. The Red Flag,—the emblem of Socialism, adopted because the blood of all peoples is red,—denotes this brotherly love.

The meaning of Socialism, therefore, is peace, justice, prosperity, happiness, altruism and fraternity.

NOTE.—For fuller treatment of the main elements of Socialism, see Ely's *Socialism and Social Reform*, ch. ii.

## CHAPTER II.

## THE ORIGIN OF SOCIALISM.

MODERN Socialism originated in modern industrial conditions. It is the outcome and product of industrial revolution, and has become international as the sweeping changes in industry have spread over the civilized nations of the globe. Had there been no industrial revolution there would be no demand for Socialism.

The development of industry since the middle ages has passed through three successive stages.

First,—The period of individual, or domestic, production. In mediæval times the laborer possessed individually the means of production. As he was both laborer and capitalist there was no dispute over the division of the product. The individual producer, by his own labor, brought them forth out of raw materials owned or produced by himself. Even when there was the help of others, it was only a by-matter,—a mere makeshift. The guild apprentice worked not so much for remuneration, as to fit himself for mastership. In this period of small industry, property in the products rested upon man's individual effort. This period of primitive production was followed by a period of manufactures, which began in the middle of the sixteenth century.

In this era was born the employers of labor, which marked as the chief characteristic of this period the employment of artisans in manufactories. Thus there arose in this manufactural age the wage laborer and the employer, and the distinction between these classes has been constantly widen-

ing with the concentration of production. It was not, however, until the third period that the process was greatly accelerated.

This modern period of industry began with the last third of the eighteenth century. The great industrial revolution of this era was brought about by a series of inventions, of which the following are the most important:—the fly-shuttle, invented by Kaye in 1750, which was the first great invention to revolutionize the cotton industry of England; the spinning-jenny, invented by Hargreaves in 1770; the water-frame, invented by Arkwright in 1769; the mule-jenny, introduced by Crompton in 1779, further improvements being made by Kelly of Glasgow and Pollard of Manchester; the steam-engine, patented by Watt in 1769, but not applied to the cotton manufacture until sixteen years later; the power-loom, invented by Cartwright in 1785, and the cotton-gin invented by Whitney in 1792. These are some of the inventions that proved the most fatal to domestic industry, and marked the introduction of the factory system. “The iron industry,” says Prof. Toynbee, “had been equally revolutionized by the invention of smelting by pit coal, brought into use between 1740 and 1750, and by the application in 1788 of the steam-engine to blast furnaces. In the eight years which followed this latter date, the amount of iron manufactured nearly doubled itself.”<sup>1</sup> Many other inventions and discoveries contributed to the industrial revolution, but this will suffice to indicate the cause of the changed methods of production. “These inventors,” says Prof. Ely, “may, in a sense, be called the fathers of modern Socialism, for without their inventions it could not have come into existence.”

Instead, then, of the paltry and dwarfish productive method of a single workshop, there appeared the large factory with the combined labor of thousands. And, not only

<sup>1</sup> *The Industrial Revolution*, Toynbee, p. 91.

the instruments of production, but production itself, was transformed from isolated into social acts, from individual into social products.

As stated by Frederick Engels:—"Alongside of individual, social production stepped up. The products of both were sold in the same markets, hence at prices at least approximately equal. But the planful organization was more powerful than the natural division of labor. The factories that worked upon the social plan turned out their wares more cheaply than did the individual producer. On one field after another individual production was thrown; until its social competitor wholly revolutionized the old method."<sup>1</sup>

This change has resulted in concentrating large masses of working people in great factories of which they own no part; the smith, the village mechanic, the carpenter, and the shoemaker have all nearly disappeared. The cheaper products of these great establishments has caused them to seek employment in the camp of the enemy. Merchants in small villages have not been exempt, and we find them emigrating in search of employment in our great cities. This is the result of the concentration of the means of production into large workshops and factories. The vast cost of the new machinery and the large amount of capital required for the new methods of production, gave rise to a capitalistic class,—the owners of the means of production.

With this change in the industrial *régime*, the means of production and the products of the individual producer were rendered of but little value. The only way open to him was to become a wage-worker under the capitalist. Wage labor, which was formerly the exception, became the rule.

The effect of this loss of control, by the workers of the means of production, has been to reduce the once independ-

<sup>1</sup> *The Development of Socialism from Utopia to Science*, p. 16.



ent handicraftsmen to the level of wage slaves. They are obliged to work for a master, to whom, with the exception of barely enough to sustain them in a working condition, the product of their labor goes. Their wage bears but slight relation to the productive value of their labor, the former being determined by the competition of the labor market. They must have access to the means of production or starve, and that access is obtainable only through the competitive wage. It is evident, then, that the ownership of the means of production gives men power over their fellows. Instead of chattel slavery, we have wage slavery.

Now what is the remedy which Socialism proposes? It says that if the laborers' obsequence was caused through the appropriation by a class, of the means of production, their emancipation can only be accomplished by their again becoming the owners of the instruments of toil. But individual ownership is impossible, owing to the subdivision of labor and the immense scale of production. The solution, however, is not hopeless, for the change in the nature of production gives us a clue to the means by which this divorce may be reconciled. As production has become socialized, the means of production should also become socialized. As tools are used in common, they should be owned in common. The private ownership in the instruments of production is becoming more and more incompatible with the nature of these instruments. Their magnitude and social character mark them for social ownership and management. Individual production necessitates private property in the means of production; social production necessitates social property in the means of production. Social production, with individual ownership of the instruments, means individual appropriation of the results of social labor. Although the method of production has changed, the method of appropriation remains unaltered, so that private property, once

dependent upon individual effort, now principally rests upon capitalist exploitation.

“What could more readily suggest itself than the socialization of the instruments of production, to correspond with the socialization of production on the one hand, and political democracy on the other? It was something so obvious that the workers could not help demanding sooner or later that they should have control of industry as they were acquiring control of politics; and that they should have the advantages resulting from the ownership of the instruments of production which they used, but which advantages they saw now accruing to a distinct class; namely, the capitalist class. ‘To the workers the tools!’ became the rallying cry, which, once uttered, was rapidly taken up, and could not cease to be echoed and re-echoed.”<sup>1</sup>

The conclusion of Socialism, then, is perfectly natural and legitimate. All this talk about the importation of Socialism is puerile and absurd. Similar conditions give rise to similar thought. The economic conditions which Socialism opposes are the same whether in monarchical Russia or in democratic America.

Socialism, remember, has an economic basis, and is thus an industrial, rather than a social or political, proposition. Socialists endeavor to attain political supremacy, only as a means whereby they may usher in the Co-operative Commonwealth, thus realizing their economic ideals.

<sup>1</sup> *Socialism and Social Reform*, p. 53.

## CHAPTER III.

## THE ECONOMIC EVOLUTION.

THE economic development, as we have seen, leads to the downfall of the small producer, thus divorcing him from the means of production and transforming him into a propertyless proletarian. It is useless for him to attempt competition with large producers on a large scale. He cannot produce as plentifully or as cheaply as the large farm or factory equipped by steam or electricity. There is, perhaps, no more miserable existence than that of the small farmer or small industrialist, trying to hold his own in the field of production, against such heavy odds. It is a question whether the propertyless to-day are not better off than the small producer with his little property, which often prevents him from taking advantage of the best opportunities. His small means of production bind him to a certain spot, thus rendering him more dependent. While he enjoys the full product of his toil,—being both capitalist and laborer combined,—still, the declining prices due to large production render his income insufficient for his needs, even if interest and rent do not absorb the entire product. In spite of the thrift and industry of the small agriculturist and small industrialist, one fate awaits them,—bankruptcy. This is the inevitable result of the capitalist economic development. All such will finally become divorced from the instruments of production, and help to swell the already large class of proletarians.

Not only can we read in modern tendencies the doom of

these two classes, but also the downfall of the small capitalist. The inventions and discoveries of modern times, increasing prodigiously the productivity of labor, continually render former machinery useless, and compels him who would succeed to introduce the new methods. The capitalist, who lacks the requisite means to introduce the new and improved machinery, finds himself unable to hold his own in the competitive combat, and is finally driven from the field. Thus, as industrial establishments are expanded, an ever larger capital is demanded for production.

The same is true of agriculture. Small farms are constantly decreasing as improved methods are applied to farming. The result of this concentration is a tremendous increase of large capitalists. While it is true that profits and interest tend to decline,—profits decreasing in proportion to a given quantity of money invested,—it does not follow that the income of the capitalist declines. The solution of the enigma being that the quantity of capital grows faster than the rate of profits decrease, thus constantly increasing the income of the capitalist. The total quantity of capital is rapidly augmenting. In fact, it is only because of this increase that profits fall. But the rate of interest does not drop in proportion to the growth of capital. It is this process which accelerates the downfall of the small capitalist, who, being unable to increase his capital proportionately, finds himself powerless to cope with the large competitor. As more capital is necessary to enable a man to live by exploitation,—due to the decline of profits,—the small capitalist must follow the lead of the small industrialist and agriculturist, and become himself a wage-worker at the hands of his expropriator.

Thus the capitalist class becomes constantly narrowed, while the triumphal march of concentration goes rapidly forward. The great bulk of our population are even now de-

pendent upon the capitalist class. There is, also, an equal dependence *within* the capitalist class. A few men are becoming veritable kings. Chauncey M. Depew is authority for the statement that fifty men in this country could meet and decide to close all business activity, and all the wheels of industry would have to stand still. Thus our social order, as has been said, is like a ladder of which the middle rounds are being torn away one by one.

The small merchant is also on the same downward grade, and is fast being supplanted by the bazaar store. Just as we have seen that machine work has supplanted hand work, and the large capitalist the smaller one, so the department store has supplanted the small store. "Experience has shown that, under a good organization of clerks, shopmen, porters, and distributors, it costs much less proportionally to sell a large amount of goods than a small amount, and that the buyer of large quantities can, without sacrifice of satisfactory profit, afford to offer to his retail customers such advantages in respect to prices and range of selection as almost to preclude competition on the part of dealers operating on a smaller scale. . . . The spirit of progress conjoined with capital, and having in view economy in distribution and the equalization of values, is therefore controlling and concentrating the business of retailing, in the same manner as the business of wholesale distribution and transportation, and of production by machinery, is being controlled and concentrated, and all to an extent never before known in the world's experience. And in both wholesale and retail operations the reduction of profits is so general that it must be accepted as a permanent feature of the business situation, and a natural result of the new conditions that have been noted."<sup>1</sup>

<sup>1</sup> *Recent Economic Changes*, Wells, p. 109.

Another phase of this evolution may be seen in the growth of the joint-stock company. The capitalist was originally an *entrepreneur*, a manager who received wages of superintendence. But the differentiation between the capitalist and manager was sure to come as the result of the capitalist development. The capitalist of to-day has abdicated his former position of overseer and has become a mere interest receiver. As competition led to waste, the massing of large capital became necessary, that production might be cheapened and rivals undersold. This has necessitated the combination of several capitalists, and so there has arisen the joint-stock company. These capitalists, thus united, engage a manager whose business is to earn for them the largest dividends possible, and to secure such, wages are reduced to the lowest possible limit. The capitalist of to-day is, then, no longer the *entrepreneur*, working with his employees, but a man wholly separated from them, having nothing in common with them. A shareholder may be interested in a business at the antipodes, one of which he knows nothing or cares nothing, except to secure his regular dividends. Joint-stock capitalism is rapidly increasing everywhere, especially here in the United States. It was formerly thought that banking and insurance were the only enterprises suitable to joint-stock companies, but now nearly every conceivable industry is thus organized. Thus the capitalist class, as such, is seen to be superfluous, the functions previously performed by them being rendered by hired employees. The stock company has become a means whereby the capitalist can more easily acquire the property of the small producer, and so work his overthrow. These companies are the easiest to gain control of, because all that is needed is money sufficient to purchase the controlling interest in the stock. This the large capitalist can do, thus making the company subservient to his own ends.

The next stage in this economic development is the union of these companies into syndicates or trusts. This is the consummation of capitalist evolution, the final outcome of the evolutionary tendency in economics. This gradual development of competing industries into monopolies is destined, at last, to bring in the Co-operative Commonwealth. Already the process of concentration has so accelerated, that Socialists firmly believe that its unification is near.

The formation of the trust and syndicate, which has resulted from the concentration of business into fewer hands, is one of the most significant phenomena of the present day. Its appearance in the social realm foreshadows the doom of the competitive system. That the trust and monopoly evidences a current set in the direction of Socialism, none will deny. The growing solidarity of labor, and the incompetency of the managers of industry to keep production continuous, and to preserve command of the industrial army, are also proofs that Socialism is the final outcome.

One who understands the causes which have led to the substitution of combination for competition, will realize the impossibility of our ever returning to the latter. The choice must be made between monopoly under private management and monopoly under public control; for monopoly, in some form, it must be. The efficiency of capital in large masses, and the economies of consolidation, as well as the control over the market resulting from monopoly, are valid reasons for the development of the principle of combination. The efficiency of capital in large masses constitutes the law of "industrial gravitation."<sup>1</sup> The fact that power is most economically utilized when applied on the largest possible scale, is rapidly concentrating all business into the hands of a few great corporations and trusts. The process of exter-

<sup>1</sup> The advantage of production on a large scale is well set forth in *Recent Economic Changes*, by D. A. Wells.

mination has been going on for years, and the small individual enterprises, so necessary to a free competitive system, have gradually been driven to the wall. To-day there is but little opportunity for individual initiative in business, unless backed by large capital. As the corporation is more powerful than the individual, so the syndicate is more powerful than the corporation. Combination in one industry has compelled combination in all. Field after field has been closed to competition, thus rapidly reducing the once independent middle class to the level of proletarians. The inevitable result of present tendencies will be to divide society into two classes,—a few families of prodigious wealth on the one hand, and a vast population of dependent laborers on the other. As I have said, we cannot return to the old days of competition and small things, for such would involve a reversal of all progress. Associated capital and machinery are essential to effective and economical production. But few men can furnish the requisite means for carrying on production on a large scale. Thus is necessitated the corporation or the joint-stock company, as the only way in which the requirements of the present age can be met. The tendency of these corporations to crystallize into the syndicate or trust constitutes, as I have said, the final stage of the economic development. The trust and syndicate, however, have come, and come to stay. The question, then, is whether the public shall own the monopolies, or the monopolies shall own the public. If people do not wish plutocratic rule in industry, they must themselves own the industries, for monopoly, either private or public, is inevitable. In economic evolutions there is no retrogression. Industry has gradually and successively passed from the period of handicraft to that of small manufactories, thence into modern industrialism, and is now taking on the form of monopoly. But this monopolistic stage which we have entered is not



the end. As individuals have combined into corporations, and corporations into trusts, so the trusts will combine into a Co-operative Commonwealth. This is the only logical conclusion. It is only in universal combination that a complete consummation can be attained. Trusts must combine in a general trust,—the nation. Socialism is the logical and natural end of this industrial tendency. Not only is it logical and natural, but inevitable, if we would escape plutocracy. It presents the only solution which is democratic in character,—the only alternative from personal or class rule. This tendency to concentration has but to go on to bring us to Socialism. Centralize all business in a trust, and then place a representative of the people in command, or make those already in control responsible to the people instead of to a syndicate of capitalists, and Socialism is attained. That this end will be realized is evident from the fact that centralization in business is more and more necessary to order and economy.

Not only the means of production, but the wealth of the country in general, are concentrating into the hands of a few men. Let me give a few quotations from eminent authorities bearing upon this point.

Says Edward Bellamy:—"At the present time the property of 100,000 men in the United States aggregates more than the total possessions of the rest of the people. Ten thousand people own nearly the whole of New York City with its 2,000,000 population. The entire bonded debt of the United States is held by 71,000 persons only, and over 60 per cent. of it is in the hands of 23,000 persons."<sup>1</sup>

Says Professor Parsons:—"In 1840 there was one millionaire to two million people; now there is one to each 15,000. In 1840 it took one-fourth of the people to buy half the wealth of the nation; now it takes less than one-

<sup>1</sup> *Principles and Purposes of Nationalism.*

twentieth of one per cent., or 30,000, to buy out the remaining sixty-five millions of people—a congestion of wealth 700 times as intense as that of 1840.”

“We are moving with tremendous rapidity toward the danger line. Persia perished when one per cent. of the people owned all the land; Egypt went down when two per cent. owned 97-100ths of all the wealth; Babylon died when two per cent. owned all the wealth, and Rome expired when 1,800 men possessed the known world. The congestion of wealth is indeed a fatal disease—the heart failure of nations. In the United States to-day, one per cent. own more than three-fifths of all the wealth of the nation; 4,000 millionaires and multi-millionaires own more than one-fifth, and the billionaire is expected before the end of the century. If the present rate of concentration continues, in 1920 one per cent. of our people will own 95-100ths of all our wealth.”<sup>1</sup>

Mr. George K. Holmes, of the U. S. Census Office, estimates the distribution of wealth as follows:—“Twenty per cent. of the wealth of the United States is owned by three one-hundredths of one per cent. of the population; seventy-one per cent. is owned by nine per cent. of the families, and twenty-nine per cent. of the wealth is all that falls to ninety-one per cent. of the population.”

Mr. Thomas G. Shearman, in an article in *The Forum*, November, 1889, says:—“The average annual income of the richest hundred Americans cannot be less than \$1,200,000, and probably exceeds \$1,500,000. . . . It may safely be assumed that 200,000 persons control 70 per cent. of the national wealth.” Rev. Josiah Strong says, in explication of Mr. Shearman’s statement, that “in the distribution of the national wealth one man in three hundred receives \$70 out

<sup>1</sup> *Philosophy of Mutualism*, Parsons, p. 8.

of every \$100, and 299 men receive \$30, which if averaged would give them about ten cents each.”<sup>1</sup>

The total number of millionaires in New York City, according to the *Sun* list of 1855, was 28, while the total number, according to the *Tribune* list of 1892, was 1103.

These facts evidence the rapid concentration of wealth. Is there danger in this congestion? Daniel Webster said, “The freest government cannot long endure where the tendency of the law is to create a rapid accumulation of property in the hands of a few.”

The cause of this concentration is largely due to monopoly. John R. Commons says that a conservative estimate traces over three-fourths of the great fortunes of the country to a connection of some kind with economic surplus.<sup>2</sup> That is, a surplus individually unearned by him who receives it. There never before was known within so short a time such an expropriation as this.

Socialism, however, proclaims that the principle of combination is sound and ought to be extended to the whole social order. If production and distribution on a large scale are more economic, they ought to survive. But, while private monopoly is an enemy to industrial freedom and the public good, public monopoly is a blessing. “The economic dependence of the laboring man upon the monopolist of the implements of work and sources of life, forms the basis of every kind of servitude, of social misery, of spiritual degradation and political dependence.”<sup>3</sup> Such are the evils of monopoly in private hands. The only remedy is to substitute public for private control of industry. Socialize monopolies, and the evils which arise from private ownership will disappear, leaving only the benefits that result from co-operation.

<sup>1</sup> *The New Era*, Strong, p. 152.

<sup>2</sup> *Distribution of Wealth*, ch. vi.

<sup>3</sup> *American Industrial Association*.

If the principle of combination is sound, the only safety for society is in its adoption. Industrial and economic freedom, which is the basis of all freedom, can only thus be secured. This emancipation, however, is sure of attainment, for competition when it is finished bringeth forth monopoly, and monopoly when it is finished bringeth forth the Co-operative Commonwealth.

Any business organized as a trust is eminently ripe for appropriation by society. It is useless to say that such an enterprise cannot be managed by the State, when it is *being* managed by a band of capitalists. The board of directors—who do not usually own the capital invested—can as readily be made responsible to the nation as to the shareholders. There need be no inconvenience experienced in making the transition, for if the State deem it expedient, the directors in charge at the time can be retained. What difference does it make whether there are 7,000 or 70,000,000 shareholders? Will not the managers be just as faithful when all the people are shareholders, as they are now when only a few are such? Cannot all the people find managers to produce wealth for them, as well as the few shareholders to-day? Increasing the number of the firm really makes no difference. If managers can be secured to conduct business in the present state of competition, with all the risks of being ruined by the intrigues of rivals, surely there will be no difficulty in finding competent directors when these baneful conditions no longer exist. The practicability of Socialism is demonstrated by the methods of modern industry.

## CHAPTER IV.

## ADVANTAGES OF SOCIALISM IN THE PRODUCTION, DISTRIBUTION, AND CONSUMPTION OF WEALTH.

ONE of the greatest advantages urged in behalf of Socialism is, that under its *régime* all the forces will work for a large product, whereas, at present, certain forces strive to diminish production. This is perfectly natural when production is carried on for exchange, for an abundance of commodities means small values. Production, therefore, is often checked, lest diminished value result from increase of quantity. If the supply were sufficient to satisfy all demands, such commodities would cease to have value. Cotton is an illustration of this divergence between class interest and the general interest. Society, of course, wants a large supply of this useful product, but the planters of the South have for some time been trying to devise means to diminish the crop. After quoting several articles headed, "Cotton Planters," "Southern Men Advocating a Reduction of the Acreage," and "Trying to Wrestle with the Problem of Over-Production," Professor Ely says:—"How strange a thing this bounty of nature! We wish nature to be generous but not too generous. If nature comes to us with smiling face and outstretched arms, and pours into our laps her gifts without stint, she impoverishes us, and we hardly know whether to dread the more an excess of niggardliness or an excess of generosity on her part. So full of contradictions is our present economic order, that men must go without coats because too much clothing has been produced, and children must go hungry because the production of grain has been over-

abundant. As the Socialists have said, with some measure of truth, 'In civilization poverty is born of plenty.'"<sup>1</sup>

The result of the present wage and profit system is to artificially limit consumption, and so destroy the purchasing power of the masses. This must be the result of production carried on for sale rather than for the satisfaction of our wants. Social riches mean abundance, but individual interests are opposed to abundance, and so combinations are formed to restrict and limit production. When production is carried on for consumption and not for exchange, an abundance is always hailed with joy, and the possessor is glad to distribute of his superfluities for the need of all. But when production is carried on for exchange, it is values that are wanted, and value depends upon limited supply. Thus, under our present system, we cannot hope for harmonious relations in economic life. The interests of men are antagonistic. To destroy profit-mongering would be to produce for our needs, which would mean increased consumption, and so increased production, for the latter can only be sustained by the former. Says Mr. Gronlund:—"This is what Nationalism [Socialism] means and what it proposes doing: to enable society—the nation, state or municipality, each in its proper sphere—to set all willing hands and brains to work, by furnishing them the necessary capital; then we shall have, not the artificial harmony between production and consumption which the trusts create, but perfect natural harmony between the capacity for producing and the capacity for consuming, both of which are even now illimitable. No pampering, no poverty any longer, but the whole country vibrating with the music of joyful labor."<sup>2</sup>

In place of the present planless system of production Socialism proposes a systematized organization of industry.

<sup>1</sup> *Socialism and Social Reform*, p. 134.

<sup>2</sup> *Our Destiny*, Gronlund, p. 27.

At the present time a farmer produces for a capricious market. He decides to plant his farm to potatoes; as they have been unusually high for several years he thinks it a good crop to raise. Of course, he is ignorant of the intentions of his rivals, but they, too, have been watching the market and have been induced by the high prices to plant potatoes. The result is over-production, and prices fall. Well, our first farmer decides to raise barley the next year, as that has been bringing a good price; but thousands have come to the same conclusion, and disaster results. Not only does the individual suffer, but society also loses, because economic energy has not been used to the best advantage. "The producers play at hide and seek with supply and demand," and all is uncertain and chaotic. In contrast with this, the Socialist proposes a systematic and orderly production. He would ascertain the demand and arrange the forces to meet it. He would know quite accurately how many bushels of potatoes would be needed, and the number of acres necessary to supply the demand. For when we deal with productive forces on a large scale, the element of chance is almost entirely eliminated. The potato crop might fail in one section but be abundant in another, so a general average would be maintained. The larger the scale and the more completely organized the production, the less the risk. As the result of this complete organization of industry, commercial crises would disappear. This of itself is an important advantage.

Again, let me illustrate other advantages of social co-operation. Suppose there are one hundred plumbers, together employing six hundred men. The one hundred bosses spend much time seeking jobs, and trying to beat each other. When in their offices, they have a large amount of necessary work to do in the way of writing letters, preparing estimates, making out bills, etc., all of which is important, but still its productivity is insignificant. These one hundred

employers have as many shops, and the cost and equipment is sufficient to build a large and magnificent co-operative factory, where all would find steady employment, and in which the cost of machinery would be greatly reduced and improved methods might be introduced.

The same is true of the carpenters, masons, etc. In each of these fields, the employers are often in financial embarrassment, and the press of competition is so great that most of them succumb in a time of crisis. On the other hand, the employees are nothing but wage-slaves, absolutely dependent, who, as the result of the planless production, frequently find themselves out of work and reduced to degradation. Co-operation would introduce concert in place of antagonism, and so eliminate all the evils resulting from our haphazard method.

It is only by co-operation that the benefits of machinery and invention can be secured to the people. Socialism would surely promote a full utilization of all industrial discoveries. There would exist no opposition, as now, on the part of laborers to the introduction of new machinery, for all would desire to produce with as little expenditure of labor power as possible. Neither would there be the opposition of capitalists, who to-day often disparage new methods because they involve heavy expenditures. All this would disappear under Socialism, for if all were equally benefited by the improved processes, there would be no one to oppose the introduction of new methods.

The Socialist argues that the laborer does not receive the full and just product of his toil. For example, take the manufacturer of agricultural implements. Suppose one hundred workmen are employed in a factory at an average of \$10 per week. After the wages have been paid from the product produced by these men, a large sum remains, a small part of which goes to replace the capital used up in the pro-



cess of production. The superintendent, say, receives \$30 per week, and to be generous we will award the boss \$60 per week. After capital, superintendent, and boss have been rewarded and labor paid, there still remains the sum of \$50,000 which the boss takes to himself. Now it is asked, Who produced the value represented by the \$50,000, which the manufacturer appropriates? Socialists say, it was produced by labor, and, in justice, labor should receive it.<sup>1</sup> The question is often raised here as to the quality of risk. It is said that the profit should be accorded to the capitalist to insure him against possible loss; that although the annual profits may amount to \$50,000, there are cases where no profits are made, and often a severe loss is sustained. The \$50,000, it is argued, should be considered a premium for the risk the capitalist takes in the investment of his money, and to insure him against possible loss in the future. The Socialist says in reply that this would seem to be correct if only one manufacturer is considered, but in the entire branch of industry the aggregate profit is immeasurably more than the aggregate loss. But even if under the present capitalist system, the individual manufacturer should claim a percentage of the profits as a guard against possible loss, such a claim could only be allowed while this system prevails. Under Socialism the element of risk would be eliminated, and bankruptcies rendered an impossibility. Another advantage, then, of social production is, that all profits would accrue to labor, the rightful owner.

To show precisely what Socialists propose, I will condense an illustration given by Alexander Jonas.<sup>2</sup> There were engaged in the manufacture of agricultural implements, according to the census returns of 1880, 1,943 establishments. The

<sup>1</sup> These estimates are given by Alexander Jonas in a pamphlet, *Reporter and Socialist*.

<sup>2</sup> See pamphlet, *Reporter and Socialist*.

number of persons employed was 38,313 men, 73 women and 1,194 children. The wages paid during the year amounted to \$15,359,160, and the cost of raw material is given at \$31,531,170, while the aggregate value of the product is figured at \$68,640,486. Each laborer, then, received \$388.25 in wages, while the bosses, after paying the workmen, and after deducting the cost of the material and interest for capital invested at 5 per cent., put \$18,640,706 in their pockets. In other words, out of the labor of every worker, whose average was \$388.25, they made \$470.

Now in these days of concentration, it would be easy for us to conceive of one manufacturer becoming the possessor of all the other establishments. Some he would purchase, others he would crush out by competition, until at length he would be sole producer of agricultural implements. This, of course, would give him a great advantage over the 1,943 manufacturers now existing, for he would then have no competitors, and could produce in accordance with the demand. Over-production could not occur, as it does now when each of the 1,943 manufacturers is producing independently and in entire ignorance of the requirement. He could also produce much cheaper. Many advantages will suggest themselves, like a complete division of labor, placing of factories near raw materials, reducing expense in advertising, etc. The result would be, that with the same capital and labor employed, as with the 1,943 manufactures, he could greatly increase the annual product. It would probably be no exaggeration, taking into consideration all the extraordinary advantages of social production, to place the value at one hundred millions, instead of sixty-nine millions, as it is today. This would necessitate raising the cost of materials from the \$31,500,000 to \$40,000,000. The status of this monopolized industry, according to Mr. Jonas, would be as follows:

Number of establishments.....	10
Number of workers.....	39,560
Capital invested.....	\$62,000,000.00
Cost of material.....	40,000,000.00
Aggregate amount of wages.....	15,359,610.00
Value of product.....	100,000,000.00
Average annual wage.....	388.25
Profit of boss.....	41,440,390.00

This monopolized industry, of course, consists of superintendents, engineer, inventor, foremen, clerks, laborers, all the hands and apparatus necessary for the running of the concern. Now, to socialize this industry, all that is necessary is to take away the boss or capitalist, who, as mere capitalist, is in no way concerned in the carrying on of the business. To remove the capitalist would make no change, if he be mere capitalist, and does not combine that with the office of manager. The whole organic composition remains in all its details. Where, then, is the difference? Only in this,—instead of the forty-one millions of dollars of profit going, as heretofore, into the pocket of one man, we should have the forty-one millions going into the pockets of the laborers. Thus, each laborer in addition to his regular wage of \$388.25 would receive \$1,047,—his portion of the forty-one millions,—making his annual income \$1,435.

Socialism means that all the branches of industry shall be thus organized. The eliminating of the capitalist and landowner by socializing production, would secure to the proletarians the full product of their toil; that which now goes to these men in the form of profits, would then accrue to the laborer.

To realize Socialism, says Mr. Gronlund:—"Extend in your mind division of labor and all the other factors that increase the productivity of labor; apply them to all human

pursuits as far as can be; imagine manufactures, transportation and commerce conducted on the grandest possible scale and in the most effective manner; then add to division of labor its complement, concert; introduce adjustment everywhere where now there is anarchy; add that central regulative system which Spencer says distinguishes all highly organized structures, and which supplies 'each organ with blood in proportion to the work it does,' and—behold the Co-operative Commonwealth!"<sup>1</sup> Such advantages in behalf of a social system should not be lightly considered.

Other advantages of Socialism may be seen by considering the method by which production is largely carried on,—that of the joint-stock company. A number of men meet and form themselves into such a company, and elect officers. They propose to engage in the manufacture, say, of cotton cloth. They themselves know nothing about the business, nor is it necessary. They hire a manager and place their money at his disposal. He constructs the buildings, equips them with machinery, goes into the open market and purchases the needful raw materials and labor force, and the production of cotton cloth goes forward. The capitalists, notice, do nothing themselves but simply watch the process. As soon as the product is ready for the market the manager transports it to the place of exchange and brings back to the office of the company the much coveted gold. The first thing now done by our moneyed men is to deduct from this total the cost of raw materials and the wear and tear of machinery. The balance is divided into nearly two equal parts. One portion is given to labor, the other they take themselves. Now this portion which goes to the stockholders is usually called surplus, or profits, and it is for the sake of this that production is carried on. What have these stockholders done to earn this portion? Nothing, says

<sup>1</sup> *Co-operative Commonwealth*, p. 105.

Socialism. Labor has created the whole value. The process had gone on independently of the stockholders, they having contributed no part to the industrial process, but now they step in, and receive as remuneration for having looked on one-half of the total net product. It is this surplus—the difference between what labor creates and what it receives—that Socialism calls fleecings. This, however, as no reflection upon persons, but as a condemnation of the system that enables some to appropriate the labor of others, and to say to them, “If you will work five hours for me gratuitously, you may have the privilege of working five hours for yourself.”

To be sure, the capitalist,—and by capitalist is meant the man who receives an income without work (true, many capitalists work, but their remuneration for that has nothing to do with their income as capitalists),—may have to divide his surplus with the land-owner and banker, provided he does not own all the means necessary. But the fact remains that the workers receive but about one-half of the wealth they produce. We have wages on the one hand, and interest, profit and rent on the other.<sup>1</sup>

In the United States, according to the census reports of 1890, there were 322,638 industrial establishments. The number of employees was 4,476,884; total wages paid \$2,171,750,183; total value of product amounted to \$9,372,000,000; the average wage per capita was \$485, and the percentage of net product going to wages was 53.8 per cent. It follows from this that 46.2 per cent. of the net product is surplus, or fleecings. In other words, when the laborer receives for his year's work \$485, he receives but 53.8 per cent. of the values he has created. The other 46.2 per cent., or \$415, has been appropriated by his employer. Thus, while he actually creates

<sup>1</sup> For full exposition of the profit system, see Gronlund's *Co-operative Commonwealth*, ch. i.

\$900 worth of products, he receives in payment for his services but \$485. This \$900, remember, is not the gross value of the products on leaving the factories, but the value given to them in the factories by labor. Thus the artisan's wage of \$485 is but 53.8 per cent. of the value his hands have added to the raw materials in forming them into finished products. The surplus, 46.2 per cent., goes to another class, who, although they have performed no work, are enabled to appropriate, under the title of interest, rent and profits, the product of others' labor. Socialism would save to the laborer this surplus, and add it directly to his income. Under the present system the owners of the means of production pocket this surplus (the difference between the price of labor and the price of labor's products), but under Socialism the means of production will belong to labor socially organized, consequently that which now goes into the pockets of the capitalist would be transferred to the laborers.

If the question be asked, Should not capital have its share of the product? The answer given by the Socialist is, Yes, under the present system. To-day men borrow money that they may use it to make money, and interest is nothing but a part of the surplus—a fair division of the spoils—and so perfectly proper. It is not only legitimate under our present system, but absolutely necessary, for in the competitive struggle, to sacrifice any part of the surplus might mean failure. But this only condemns the system that makes such injustice necessary. When the people are their own capitalists, the absorption of the surplus labor will cease. When men no longer borrow capital for the purpose of using it to create more capital, interest will be a thing of the past. When the people own collectively the instruments of production, they will be no longer exploited.

Another strong argument in behalf of Socialism is its strength as a scheme of distribution. The common owner-

ship of the instruments of production, would mean the common distribution of the products of production. The advantages of such a system are inestimable. Socialism proposes to substitute an orderly method of distribution in place of the one based on private enterprise. It would avoid the two extremes of plutocracy and pauperism and aim to the fullest extent, as already said, at the satisfaction of human wants.

Under Socialism, most of the machinery for the exchange of commodities, would cease to be. Trade and commerce, as they exist to-day, would be a thing of the past. Commodities would be gathered into large central stores, and distributed to each in accordance with his income. It is estimated that one-eightieth of the population instead of one-eighth, as now, would suffice to bring the commodities from the producer to the consumer.<sup>1</sup> This would be a saving, in the distributive system alone, of nine-tenths of the economic force now expended.

Says Professor Ely :—"Socialistic distribution has also strength when it is viewed from the standpoint of other classes than the wage-earners. The employer, even if he may receive a smaller share, is free from the harrowing cares and anxieties which now beset him. The fear that he may lose his entire share in the wealth distributed, a fear often realized as large producers annihilate small producers, ceases to torment him, for Socialism, as we have already seen, provides an income for all members of society."<sup>2</sup>

Capitalists should not be unfavorable to Socialism. The mental suffering which they often endure is beyond popular conception. Remember that nine-tenths of all business men fail. Is it supposed that there is no mental suffering connected with such a condition? Think of the 14,000

<sup>1</sup> *Looking Backward*, Bellamy, p. 228.

<sup>2</sup> *Socialism and Social Reform*, Ely, p. 141.

failures annually! And even where business men have been able to weather the storm; think of the anxiety, the sleepless nights, loss of appetite, that frequently attends many we are inclined to call prosperous. Few people have an idea of the actual wear and tear of mind and body resulting from capitalist competition. Is the possession of a vast fortune really worth the misery experienced in the acquisition? After it has been attained, there is a constant fear, not only for personal safety, but of losing social caste. Many rich men suffer as much through this fear of being reduced to want as do the laborers themselves. And well they may, for one turn of the wheel of fortune may place them among the class they so much despise.

Professor Ely again says in this connection:—"When distribution is viewed from the standpoint of those engaged in the learned professions, Socialism is not without its attractive features. Those professions are now overcrowded, largely because many, better adapted to mechanical pursuits, endeavor to push up into the learned professions to escape unpleasant conditions attending those occupations for which they are naturally adapted. This might be expected to cease, if agriculture and mechanical pursuits could be rendered more agreeable; and the anxiety of professional men for themselves, and often their still greater anxiety for their children, would no longer perplex them by day and disturb their rest at night."

Speaking in a general way of the advantages of the Co-operative Commonwealth, I might mention that the small shopkeeper, commission merchant, and peddlers would be eliminated. That this would be advantageous is evident from the failure of competition to always reduce prices. Generally speaking, the small store must charge exorbitant prices, for the limited trade necessitates such in order that the shopkeeper may live. The larger the business the



smaller need be the profits of any one commodity. If trade is limited and increased profits are impossible, the extra profit is apt to be made up by short weights and depreciated goods. The adulterations to-day are almost beyond comprehension. In place of these small stores we should have the great bazaars, where every possible article of reliable quality and uniform prices could be found. What an advantage this would be to purchasers. Think of the women who to-day tramp the streets of our cities, going from store to store in hopes of finding something more suitable in quality or price, and finally, all but dead with fatigue, perhaps, ending where they began. How much easier to shop when each ward or district store contains samples of all the nation's products, the prices of which are uniform, and the quality guaranteed by the government stamp. These district stores need be but little more than sample rooms, all large commodities being kept in stock at the central warehouse, from which orders would be filled, thus saving useless handling of goods.

Another great gain would be in the abolition of all speculation. The stock and other exchanges, which contribute nothing to the world's goods, would be relegated to the past. Trade, instead of buying and selling with a view to profit, would be transformed into the distribution of products to consumers, while foreign exchange would be real commerce,—the exchange of products which we do not need, for those we do need.

The new order would also wonderfully affect transportation. Instead of the hundreds of trucks necessitated by individual enterprise, fully nine-tenths of which are an absolute waste of animal and human power, we should have comparatively few, doing business for but one concern. What a change this alone would make in our great cities!

We have already noted some of the advantages of co-oper-

ative farming. Before concluding this chapter, I wish to call attention to the vast economies of organized agriculture. The "Bonanza" farms of the West have demonstrated the advantages of farming on a large scale. In place of a hundred barns, yards, stables and houses, one of each would suffice. Think of the enormous saving here. Then, what a saving in horses and wagons, fences and small tools, etc., and of labor, a large proportion of which would be liberated and rendered available for other pursuits! The economy of agricultural production on a large scale is prodigious. Says Professor Fawcett:—"It has been calculated that a steam-cultivator would plough a square field of ten acres in half the time occupied in ploughing two fields of five acres each, and with two-thirds the expense."

Says Mr. Wells:—"The following statements have recently been made in California, on what is claimed to be good authority (*Overland Monthly*), of the comparative cost of growing wheat in that state on ranches or farms of different sizes. On ranches of 1,000 acres, the average cost is reported at 92½ cents per 100 pounds; on 2,000 acres, 85 cents; on 6,000 acres, 75 cents; on 15,000 acres, 60 cents; on 30,000 acres, 50 cents; and on 50,000 acres, 40 cents."

"That the only possible future for agriculture, prosecuted for the sake of producing the great staples of food, is to be found in large farms, worked with ample capital, especially in the form of machinery, and with labor organized somewhat after the factory system, is coming to be the opinion of many of the best authorities, both in the United States and Europe."

"Machinery is already largely employed in connection with the drying and canning of fruit and vegetables, and in the manufacture of wine. In the sowing, harvesting, transporting, and milling of wheat, its utilization has reached a point where further improvement would seem to be almost

impossible. . . The business of fattening cattle by the so-called 'factory system,' on a most extensive scale, has also been most successfully introduced in the Northwestern and trans-Mississippi States and Territories, and that great firms have at present thousands of cattle gathered under one roof, and undergoing the operation of fattening by the most continuous, effective, and economic processes. The results show that one laborer can take care of two hundred steers undergoing the process of grain-feeding for the shambles, in a systematic, thorough manner, with the expenditure of much less time and labor per day than the ordinary farmer spends in tending fifteen or twenty head of fattening steers under the disadvantages common upon the ordinary farms."

"How great a revolution in the business of agriculture is yet to be effected by the cultivation of land in large tracts, with the full use of machinery and under the factory system, is matter for the future to reveal; but it cannot be doubted that the shiftless, wasteful methods of agriculture, now in practice over enormous areas of the earth's surface, are altogether too barbarous to be much longer tolerated."<sup>1</sup>

In the "Notes and Comments" of the *North American Review* for October there is an article by Geo. E. Walsh, entitled "An Electric Farm." He says: "Electric plows have been patented in Vienna, and electric hayrakes, reapers, carts and threshing machines have been placed upon exhibition in this country, and their utility tested favorably. Experimental farms have been established where nearly all the work has been performed by means of this powerful agent—fields plowed, harrowed, fertilized and rolled, seeds planted and covered with soil, weeds killed and crops harvested and threshed." The author then refers to some of the many experiments that have been made to ascertain the effect of electricity upon plant life. It has been ascertained

<sup>1</sup> *Recent Economic Changes*, by Wells, pp. 99, 461, 462.

that fifty per cent. more grain can be procured from a tract of ground planted with a small network of wires, than from a similar plot of soil not thus stimulated.

All this shows the advantage of systematic agriculture. When the electric power comes into general use on the large farms, it will be still more difficult for the small farmer to continue his vocation. The cost of an electric plant and the reduced price of products produced by modern methods, will drive him into bankruptcy. The only salvation for the small farmer and agricultural laborer is in the socialization of the electric button. The advantages of socialized agriculture are indisputable. May the day hasten when these benefits shall be realized.

We have now considered a few of the advantages of Socialism in the production, distribution, and consumption of wealth. They alone are sufficient to evidence the value and worth of the new social order.

## CHAPTER V.

THE POSTULATES OF SOCIALISM IN REGARD TO MONEY,  
VALUE, AND WAGES.

THESE three factors of social economy are so closely connected that the treatment of one involves the consideration of all.

Under Socialism money—by which I mean gold, silver and their representatives—would become superfluous. To be sure, money may be used for some time after Socialism is established, and if minor businesses are left in private hands, it may be, for the sake of convenience, continued indefinitely. With the abolition of private capital, the part which it would play would be very meagre. The love of money, which is the root of all evil, would entirely disappear. Such is impossible under our present system, for money is the very quintessence of capitalism. But it may be asked, How would exchanges be carried on under Socialism? We answer, By account, facilitated by labor checks. These checks, tickets or certificates of labor would readily take the place of money. Of course, for settling balances with foreign nations, gold and silver would be used, as bullion, the same as now.

Here let me say in passing, that this is not greenbackism, as some may suppose. The greenbacker, to be sure, wishes to abolish the precious metals as money, but he also wishes to retain the present industrial system, which renders his scheme impracticable. His notes, issued by the government, are pure fiat, there being nothing behind them but the credit of the nation. It says, You may go anywhere within the United States and exchange this note for one dollar's worth of goods.

This is absurd, since the goods do not belong to the government but to private individuals. Under Socialism, where the goods belong to the State, there is something behind the promise or note with which to redeem it. When the State is sole producer, then it can issue its notes against its wares, and say, Here, take this note which I give in return for so much labor performed and with it you can purchase from any of my warehouses a like amount of labor congealed in any commodity you desire. The Socialist programme, you will observe, is strictly logical. For every day's work performed a labor check is issued against the wealth created, which enables the laborer to exchange the check for the product he has created, or for any other commodity containing an equal amount of labor time. He thus receives full compensation for all the wealth he creates,—the full product of his toil.

The remuneration of labor in the form of a money wage obscures the fact that the laborer does not receive the full product of his labor. It is by this means that labor is exploited. Labor when treated as a commodity has two values,—value in exchange, or what it will sell for, and value in use, or what the employer gets for labor's product. Labor employed in production from raw materials adds to those materials an increased value. It is not, however, to the materials that the new value is due, but to labor which has given to the materials a new form. The manufacturer makes nothing on raw materials, but only on the labor which he buys and sells. The laborer is obliged to sell his labor for its market value. He cannot secure the use-value of his labor, for the reason that the means of production are monopolized by the employer. The laborer, then, does not receive the full value of his toil, nor can he, under the wage system. This exploitation is part and parcel of modern production, and money wages are the means by which labor is exploited. Morally this is wrong, however necessary

it may be to the present order. It is not right for one man to thrive at the expense of another. If the laborer were paid in the commodities which he produces, he would at once see that he did not receive the full value of his labor. The wage system is admirably adapted to blind the laborers to the manner in which they are wronged. Their money wage appears to be equal to the value of their services, when in reality their real value is equal to the money wage plus that which the employer receives for their services. Here is the real secret of exploitation, which necessarily will continue as long as the wage system remains.

Again, it may be suggested that the function of money is not only as a medium of exchange but also as a measure of value. This function, however, it has always poorly performed. In fact, gold and silver have fluctuated nearly as much as the value of the commodities they have attempted to measure.

To understand how under Socialism this secondary function of money would be performed, we shall need to understand what is meant by value. This has been so well stated by Mr. Gronlund in his *Co-operative Commonwealth* that I can do no better than use his words:—"By value we mean value in exchange; we do not mean value in use, nor utility, nor . . . worth. The worth or utility of shoes is their capacity to protect the feet; their value is what they will fetch in the open market. Their value is their relation to other wares, in some way or other; is another name for equivalence. But relation in what way? Not relation of worths. Worth, or utility, is undoubtedly presupposed, but it does not determine the value." A man can buy a hat for two dollars or a pair of shoes for the same, and both are useful to him; but their usefulness is not the reason he pays two dollars for them. He can buy a loaf of bread for five cents, which is infinitely of more worth to him than either, if he

has had nothing to eat for several days. It is evidently worth more to him than to a man who has just partaken of a hearty meal, but the latter can buy it just as cheaply as the former. Although value is a relation between useful things it is not a relation of worths.<sup>1</sup>

A farmer goes to town with a load of potatoes. He exchanges one bushel for ten pounds of sugar, another for a book, five bushels for a pair of shoes, and ten bushels for a table, etc. Now these exchanges are supposed to be between commodities of equal value. But how is this value ascertained? Only by comparison. But we can only compare such commodities as are similar. Of course, the articles mentioned are all useful but such form no point of comparison. The one thing similar in all these articles is that they are the product of human toil. Labor expended on natural products has created value. Ricardo says, "The value of a commodity . . . depends on the relative quantity of labor which is necessary for its production." He further says that the exchange-value of wares, the supply of which may be indefinitely increased, depend, exclusively, on the quantities of labor necessarily required to produce them and bring them to the market, in all states of society. As these articles are exchangeable with each other, they are supposed to have an equal value, and so must contain an equal amount of human labor. These labors, of course, are different in kind, but the difference is simply in complication. A longer time is required to learn one than another. All such may be reduced to common or unskilled labor. In every hour's work of the mechanic there is contained a portion of the time devoted to mastering his trade. So in the profession; years have been spent in preparation, thus one hour's work may be equal to many hours of common labor. The mechanical work of writing a book may require but a short

<sup>1</sup> *Co-operative Commonwealth*, Gronlund, p. 6.



time, but the preparatory work may have consumed many years. One hour of writing may equal ten or fifteen hours of common labor. Upon this Ricardo says: "I am not inattentive to the difficulty of comparing one hour's labor in one employment with the same duration of labor in another. But the estimation of different qualities of labor comes soon to be adjusted in the market with sufficient precision for all practical purposes."

But suppose someone should say that, as one person may require twice as much time to make a given commodity as someone else, he might want double quantity of everything in exchange. Should such be demanded he would likely be told, that it made but little difference how long it took him to produce a given article, as long as an average workman could perform the work in half the time.<sup>1</sup> The labor that measures value, then, is not the labor of any one man, but the average amount of labor required in the production of any commodity. It is what is called the "socially necessary labor." Were the special labor of individuals to measure value, we should have no end of prices or values. It is not, however, the individual, but social labor that determines the value. Social or abstract labor must be distinguished from individual or concrete labor. Social or abstract labor means the average common or unskilled labor,—the average amount of such labor required to produce a given commodity. A farmer receives for his barley, not what it cost him under special conditions to raise the crop, but what farmers in general are getting. In other words, it is not his individual labor that determines the price, but the average social labor of all farmers. Thus, under Socialism, if fifty thousand bushels of barley were needed and the production of it required ten thousand days of social labor, it would follow that the socialistic value of one day's labor would be five bushels of barley. Again, to

<sup>1</sup> *Co-operative Commonwealth*, Gronlund, p. 9.

obtain the value of cotton cloth, we would divide the number of yards which, say, five thousand men can produce, by five thousand, and we will get the share of the product which goes to each man. The value of these yards will be one day. If five thousand men can produce one hundred thousand yards of cloth, the share of each laborer will be twenty yards, which amount constitutes one day of social labor time. "We see, then," as Marx says, "that that which determines the magnitude of the value of any article is the amount of labor socially necessary, or the labor time socially necessary, for its production. . . . Commodities, therefore, in which equal quantities of labor are embodied, or which can be produced in the same time, have the same value. The value of one commodity is to the value of any other as the labor time necessary for the production of the other. 'As values, all commodities are only definite masses of congealed labor-time.'" <sup>1</sup> Labor, remember, in society is a social factor,—

<sup>1</sup> *Capital*, Marx, p. 4.

NOTE.—The labor embodied in a commodity includes not only the living labor or the number of working days, but the labor embodied in the raw materials, and also that portion of labor consumed by the wear and tear of machinery. The value of any commodity is equal to the sum of the factors of the labor process,—the working power, the raw materials and the wear of the machinery. All of these factors but represent labor which is consumed, and which together constitute the cost of the product,—the labor embodied in its production. Natural products, which are furnished by nature gratuitously, absorb labor, and the value thus given these products depends upon the amount of labor absorbed. The values of the means of production, i. e., the raw materials and the wear of machinery, are constituent parts of the value of the finished product. The labor represented by these factors and consumed in production is so much labor expended in the process, and therefore forms part of the labor cost. The value, then, of a finished product is represented by the total labor crystallized in the product. If the product requires one hundred days of common labor to create the raw materials and that part of the machinery which is used up in production, and another hundred days in working up these materials into the

not an individual but a collective thing. Now do not miscomprehend this position of Marx. It is abstract labor time, not concrete, that is compared. Labor of all kinds must be reduced to abstract labor time. This is constantly being done, and value in exchange is always the result of this operation. By this process the labor of the artist as well as that of the hod-carrier is expressed in units of simple labor time. Thus the value of one hour's labor of the artist might represent five units and that of the hod-carrier one. All elements of concrete labor, then, are reduced to abstract labor, and expressed in units of abstract labor time. While the different kinds of concrete labor have different values the units of abstract labor have equal values. The sum of these units required in the production of any commodity represents its exact value. All labor, as has been shown, is but multiplied common labor. And all kinds of labor, manual, mental and moral, can be reduced to units of abstract labor time. Quality of labor is thus considered, it being reduced to quantity. If one unit of abstract or social labor represents one hour, the value of artisan and professional labor, being but multiplied common labor, would be easily computed. The number of abstract units contained in each hour of artisan and professional toil would be practically ascertained with little difficulty. This in reality is the method of to-day, as seen when reduced to scientific analysis.

finished product, then the value of the completed product would be two hundred days of common labor. The labor value of the raw materials and that represented by the waste of machinery—in fact, the whole capital consumed—passes over and is embodied in the new product. Thus supposing the labor embodied in the raw materials represents five days of labor, and that one-fourth of a machine, which it cost twenty days of labor to produce, is used up in the process. Now if ten days of living labor is added, the cost of the completed product will be twenty days of social labor, and will exchange for any product embodying a like amount of social labor time.

Thus, if the hod-carrier gets one dollar per day and the carpenter three dollars, it is evident that each hour of the carpenter's labor represents three times as many units as that of the hod-carrier. In other words, if one hour of the hod-carrier's labor represents one unit, one hour of the carpenter's labor represents three units, and at ten cents per unit the hod-carrier receives one dollar per day, and the carpenter three dollars. Likewise the judge. He has spent years in preparation, therefore ought to be rewarded for this unremunerated period. One day's concrete labor of the judge represents, say, five of the hod-carrier's and three of the carpenter's. Reduced to abstract labor time, ten units represent one day's work of the hod-carrier, thirty that of the carpenter, and fifty that of the judge. As already quoted, Ricardo says, "The estimation of different qualities of labor comes soon to be adjusted in the market with sufficient precision for all practical purposes." This is the only scientific law of the measure of value, for the element of time is the only common factor in different kinds of labor, and labor is the only common factor in different commodities. The value of any labor depends upon the number of social labor units it contains, and the value of any commodity depends upon the quantity of social labor time. We may define value, then, in the words of Gronlund: "As the quantity of common human labor measured by time which on an average is requisite, by the implements generally used, to produce a given commodity." But it may be said, Suppose that I find a diamond in the streets, is not the value more than the trouble of picking it up? To this Mr. Gronlund replies: "People are not in the habit of finding diamonds in the highways. If they were, diamonds would soon be as cheap as pebbles. Diamonds would cost the finder dearly enough if he were to seek for them in Hindostan or in Brazil where they are usually found. Re-

member that the average amount of labor is a part of our definition."

Now one word in regard to the law of supply and demand. We have seen that it is the labor expended on an article that measures its primary and natural value, or as it is sometimes called, its "level value." The only effect that demand and supply have, is to make the price, the value as expressed in money, vibrate now a little below and now a little above their level value. This has reference, as already stated, to such articles as can be indefinitely produced. There are, however, other wares but few in number, such as rare paintings, that cannot be thus indefinitely increased. All such have what may be called a monopoly or scarcity value, their value being determined, not by the labor congealed in them, but strictly by demand and supply. "Human labor and scarcity create all values. But since it is evident that scarcity cannot create anything real, we must conclude that the values which are due to it are unreal ones; and that it is human labor alone that creates all real values. . . . This, of course, does not imply that there is not much labor which does not create any value at all."<sup>1</sup>

Again, it may be asked, How will demand and supply work under Socialism? Suppose consumption and production should not fit together? Of course, statistics will enable the new commonwealth to determine the amount of production needed, but it might be thought that the change of fashion would cause miscalculations. This evil, however, is mostly caused by the cupidity of manufacturers, and so would be removed by Socialism. The nation would exert its influence to preserve the economic equilibrium; but should there be an excess in the supply or demand, from miscalculation or other cause, the prices might have to be lowered, and goods sacrificed, or raised and sold at a profit, in order to

<sup>1</sup> *Co-operative Commonwealth*, p. 11.

adjust the relation between production and consumption. Probably, on the whole, the gain and loss would about balance each other. Under Socialism the standard of consumption would not vary as to-day, inasmuch as the proletarian and plutocrat would both disappear. Of course, warehouses, the same as now, would be necessary to keep the balance.

It is the labor crystallized in an article which determines its level value, and it is this which determines even the value of gold and silver. From this it follows that a definite amount of labor, or social labor time, is far more appropriate as a measure of value than anything else. The labor checks issued under Socialism would be a promise to pay on demand, say, one day's labor, and this day of social common labor would represent the measure of value.

One other point in this connection which is of vast importance. We have seen that for every day's work performed, a check would be issued to the laborer, calling for the product in return. But there are many citizens who have performed work which is necessary and still is unproductive, such as judges, teachers, clerks, etc. These must be remunerated, and also a certain part of the product reserved as capital. Provision must be made for all these legitimate claims. The rent fund would partially meet this demand, but in addition to this there will probably have to be an impost laid on the sales. Perhaps the goods of twenty-four days labor will be sold for checks representing twenty-five days labor. Thus each would receive the full product of his labor either as direct revenue, or as public benefit. Each laborer would receive for his day's labor a check, representing one day's labor, less his share of the impost. Similarly those engaged in unproductive employments would receive checks out of the rent and impost funds.

It may be asked, How will labor be graded under the new

*régime*? What relation will exist between unskilled, skilled and professional labor? Under the new order undoubtedly the ratio of wages in vogue at the time would furnish the gradation of labor. As I will show presently, this ratio need not always be continued, but probably the gradation existing at the time of the change would provide the starting-point. In view of the great economies of social production it would undoubtedly be safe to fix the normal day of common labor at five hours, with double pay. Each hour would represent one unit of abstract labor. Suppose we place the value of the unit at fifty cents, then the common laborer would receive two dollars and fifty cents per day, skilled and professional labor in the ratio of three and five, or two and three, according to the proportion at the time of the change. Experience, of course, would determine whether the value of the unit was too high or too low. This, remember, is merely a suggestion.

As the laborers in each line of industry would be entitled to the whole product of their labor, they would distribute this amount among themselves as they saw fit. Take for example the boot and shoe industry. They determine among themselves the rate of remuneration between skilled and unskilled labor, and also the quantity of labor embodied in their product. From this, the amount to go to each laborer is only a matter of figures. As the price of their commodity concerns the whole commonwealth, its price-list would be submitted to the proper officials for approval; but the division of the product—the rate of remuneration—concerns only the laborers themselves. Each branch of industry and each department will be entitled to all the wealth they create, and it would remain for them to decide how *much* they would create. If in any factory they chose to work but one day a week, then they would have but the value of one day's products to distribute among themselves.

Or if any man does not care to work, it is his own business. If he did not work he would receive no pay. Nor need we fear that these matters will not be settled, for not to work is to starve. Should any laborer feel wronged by the action of his fellows, he would have the courts to which to look for redress. Now the ratio upon which labor would be graduated at the commencement of the new order, would be based upon the fact that the grades above common labor need to be compensated for the years of apprenticeship and study given to qualification. But after the Co-operative Commonwealth had been in full operation for several generations, and the artisans and professions had been supported by society during their years of qualification, and universal education, equal opportunities and diffusion of wealth had done their work, and love, patriotism and self-respect had lifted men to a higher level, then another rule would be applicable. The ratio of differentiation might gradually diminish until all labor should receive equal compensation for equal labor performed. This would undoubtedly be the ideal state. Manhood and brotherly love require it. Nothing can so aid in the development of character as economic equality. When men are secure from daily wants, attention is given to the higher activities. The highest ideal is, that every man should serve society according to the best of his ability, and be rewarded by the full satisfaction of his wants. If every man had enough, why should any be desirous of more? Why should a professional man want more than an average worker, if the latter has all that he can possibly use? Why, then, should it be thought that men with ability will complain, if they have the same material reward as others? The man of ability is, because of his superior endowments, more blessed than the average man. In a right state of human affairs, such men would spurn the offer of mere pay. The real heroes of the world have been above such incen-



tives. Men will work harder for honor and duty than for money.

Those who would fain be frightened over the equalization of income, seem to forget that such a tendency is already at work among the masses. The small producers, if not thrown directly into the proletarian class, are reduced in income to that level, while the difference between the propertyless is continually diminishing, and their wages, after much fluctuation, are gradually approaching the point of uniformity. The difference, however, between the tendency to economic equality under the present system and under Socialism is, that to-day the tendency toward equalization of incomes is by pressing the higher incomes down toward the lower, while under Socialism the process would be reversed, the lower being continually raised toward the higher. Socialism would tend toward an equality in well-being; capitalism tends toward an equality in pauperism.

But this question is not as important as is usually supposed. We must remember that the Co-operative Commonwealth is not a fixed system, but rather the most flexible of systems, aiding and abetting social evolution in every department. There is no form of wage payment now in vogue which is incompatible with the spirit of Socialism. Should equality of income be introduced and prove disastrous, as our friends prophesy, it would not mean the overthrow of social production; but rather the introduction of another principle of distribution.

The social ideal is economic equality. Says Edward Bellamy:—"Economic equality is the obvious corollary of political equality as soon as the economic system is [fully] democratized. Quite apart from ethical considerations in its favor, it follows, as a matter of course, from the equal voice of all in determining the method of distribution. Whatever a democratic state undertakes must be undertaken for

the common—that is the equal—benefit of all.”<sup>1</sup> The application of the democratic idea to our economic system would lead inevitably to this solution. Economic equality, however, would have to wait until industry should be fully organized upon the co-operative plan, and until the other conditions noted, should be realized. Says Professor Parsons:—“Some people have difficulty with this idea of economic equality because they remove it out of its natural environment—a co-operative or mutualistic commonwealth—and apply it to present conditions. Of course it would be absurd to have equal division now. . . . [But] when the whole state is a partnership, equal division of profits will not be absurd but perfectly proper and natural. It is very unfair to test the idea by any but mutualistic standards—nobody dreams it would work in any competitive group.”<sup>2</sup> To realize this ideal, egoism must be extinguished in the human heart, and altruism become the ruling principle of human nature.

As the realization of this noble ideal is far away in the future, why trouble ourselves concerning it to-day? Its accomplishment, however, we must hold as an ideal, for its realization will ultimately be attained. The law of love,—“Thou shalt love thy neighbor as thyself”—will at last be triumphant. Our duty is to establish the Co-operative Commonwealth. We need not fear but that a fair and just distribution of wealth will be attained and social justice realized.

<sup>1</sup> *The Programme of Nationalists*, Bellamy, p. 7.

<sup>2</sup> *The Philosophy of Mutualism*, Parsons, p. 16.

## CHAPTER VI.

## THE QUESTION OF INTEREST.

IN the olden times the usurer was simply a leech, profiting by the distress of others. The money loaned was not put to productive uses, but was borrowed because of some urgent needs, and so to take advantage of man's misfortunes was considered immoral. To-day the matter presents another aspect. Money is borrowed for the purpose of establishing some industry, and thus becomes a means of exploiting labor power. A man uses money in buying and selling labor, and makes the difference between its exchange-value and its value in use. Usury has now lost its original characteristic, and is considered legitimate. If a man borrows money to use productively in making money, it is but fair that he should pay for its use. This is the real reason that interest has come to be regarded as proper. Interest is but a part of withheld wages, a part of the fleecings. If a man borrows money for the purpose of using it to make more money, he ought, of course, to divide the spoils.

Many reasons have been given in justification of interest, none of which, however, are satisfactory. All are hazy and evidently designed to patch up the present contradictory system of economics. Political Economy exists for the purpose of bringing harmony into the existing order, and so it has sanctioned interest as a permanent feature of social arrangements, which in reality is but a temporary phase of economic evolution. Political Economy attempts to explain things as they are, rather than as they ought to be. In seeking a justification for the present order, it has given many reasons for the existence of the custom, all of which fail to go to the

root of the matter. They simply confuse men's minds lest they behold the true process of capitalist accumulations,—that of the absorption of surplus-value.

Most of the arguments given in support of interest are flimsy indeed. We are told that interest is a reward for abstinence. But why should a man be rewarded with an increase? The boy who abstains from eating his peanuts at night is rewarded by having them the next day; he does not expect them to multiply during the night. Again we are told that interest is in payment for service rendered, but the service is reciprocal,—it is a question who renders the greater service, the borrower or the lender. Capital will soon decay unless in productive use. The borrower is necessary as a preserver of capital. Capital is kept in existence by perpetual reproduction, and were it not for labor, there would soon be no capital to be rewarded. This fact has been well stated by John Stuart Mill in the following language :—“ When men talk of the ancient wealth of a country, of riches inherited from ancestors, and similar expressions, the idea suggested is, that the riches so transmitted were produced long ago, at the time when they are said to have been first acquired, and that no portion of the capital of a country was produced this year except so much as may have been this year added to the total amount. The fact is far otherwise.

“ The greater part in value of the wealth now existing in England has been produced by human hands within the last twelve months. A very small proportion indeed of that large aggregate was in existence ten years ago; of the present productive capital of the country scarcely any part, except farmhouses and factories, and a few ships and machines, and even these would not in most cases have survived so long, if fresh labor had not been employed within that period in putting them into repair.

“ The land subsists, and the land is almost the only thing

that subsists. Everything which is produced perishes, and most things very quickly. Capital is kept in existence from age to age, not by preservation but by perpetual reproduction."

Thus we see that the service rendered by the borrower to the lender, is fully as great as the service rendered by the lender to the borrower.

Socialists give the only true reason for interest. It is a part of the appropriation and, therefore, under the present system, perfectly proper. Capitalists working under this anarchical social system are not to be blamed for this appropriation ; to do otherwise would mean ruin. It is the system, which compels injustice, that should be condemned. " Socialism is not opposed to capital as such, nor the capitalist, but to the industrial system in which the wrongs of labor are inherent, and admit of no remedy so long as private capital, which is the corner-stone of the system, exists."<sup>1</sup> Socialists realize that the capitalist is as much the product of the present *régime* as the wage-worker. Even should the individual capitalist sincerely desire to rectify the evils under which we suffer, he is powerless. He might gladly assign to labor a larger share of the product, but such an attempt would only result in his own ruin. He is obliged to appropriate the difference between labor's value in exchange and its value in use ; it is only thus that he can survive. It is the system that is wrong, for these evils are a part of the present economic order. Not private property but private capital must be abolished, for it has become a prolific source of injustice and misery. Mammon would fall with the abolition of private capital, and with him that pride and vanity that sets man against man. With the abolition of private capital, industrial tyranny would cease, and also the tyranny of private wealth. Man cannot serve God and Mammon, and the only

<sup>1</sup> *Socialism from Genesis to Revelation*, Sprague, p. 67.

safety for American institutions is to destroy Mammon. In place of an aristocracy of wealth, establish an aristocracy of character. Socialism is the only thing that can dethrone Mammon.

Interest-bearing capital would not exist under Socialism, for private ownership of the means of production would be impossible. And so interest, which is the remuneration for the use of capital in production, would cease. The reason why interest is paid to-day is, that money is employed productively with a view to profit by the sale of the product. A man borrows money to make money, and interest is but a fair division of the booty. When all capital is social, and a man can no longer use money in making money, he will not borrow and pay for its use. Under Socialism Aristotle's view that money should not breed will be fully realized. The abolition of interest will be nothing arbitrary, but the natural result of the socialistic principle of collective capital. The dependence of labor upon capital, as at present, is unnatural and the result of a perverse social system. The evils thus perpetrated can only be remedied by establishing the Co-operative Commonwealth, in which capital will become subservient to labor, and minister to labor's happiness and freedom.

## CHAPTER VII.

## COMPETITION VS. COMBINATION.

COMPETITION has served a purpose in the past, and has been an important factor in progressive industry. It has been to industrial evolution what war has been to social evolution. But both have had their day as factors in civilization. Competition has now become the cause of nearly all the waste and ill-will which threatens modern society. Most of these evils can be traced directly to the door of competition. Out of ten manufacturers nine may fully realize the evils that affect labor, especially woman and child labor, and sincerely desire to remedy those conditions. But the tenth man has no such scruples; he is willing to grind women and children down to the lowest notch, for the sake of his own avarice, and the others are obliged to adopt his methods or forsake the field of competition. This compels the nine men to be grasping and inhuman or face bankruptcy. Thus it is, that in competition the man the least moral sets the standard to which all must conform. Professor J. B. Clark, in his valuable work on *The Philosophy of Wealth*, says:—"There is one code for the family, the social circle, and the church, and a different one for the mercantile life. It is a common remark that . . . a sensitive conscience must be left at home when its possessor goes to the office or the shop. We hopelessly deprecate the fact, we lament the forms of business depravity that come to our notice, but attack them with little confidence."<sup>1</sup>

It must be clear to every one that the "social ideal must be co-operative and not competitive." The theory of com-

<sup>1</sup> As quoted by Sprague in *Socialism from Genesis to Revelation*, p. 25

petition is, that a nation in which every man tries to get the better of every other man will be happier and more prosperous than a nation in which every man tries to help his neighbor. "What we choose to call competition, a struggle between the weak and the strong for existence, is, in the latter stages of production, when the competitors are very unequal, a blind and disastrous method of procedure. It precludes sobriety and honesty."<sup>1</sup>

The very essence of competition is antagonism, and necessarily begets cruelty, injustice, cunning, oppressiveness and selfishness. Competition undoes all that religion and ethics can do toward the upbuilding of humanity; it violates the law of love, and sacrifices manhood for material wealth.

"Competition is evil in every way. It is wrong because it is wasteful; because it develops servility, hatred, untruthfulness, cunning, trickery, pride, oppression,—everything but brother-love and the ideal character of a Christian gentleman; because it produces reckless luxury on the one hand, and untold misery on the other; because it creates ignorance, disease and crime; because it creates countless antagonisms instead of social cohesions. . . . It neutralizes industrial forces. . . . It creates a feverish force in some men, not for the sake of useful labor but for victory over their fellows. . . . It devitalizes the very nerve of energy by depriving them [the laborers] of all interest in their work. . . . Competition puts a million in the pockets of an ignorant, idle dude, and loads his splendid, industrious neighbor with misfortune and debt. . . . It builds the slums of the cities, and the hate-engendering palaces of the rich. It has given us a standard of value and a division of labor that sacrifices manhood to merchandise. It gives activity and growth to all that is hard, combative, unscrupulous and unsympathetic in man, and hinders the development of brother-love, helpful-

<sup>1</sup> *Social Theories*, Bascom, p. 412.



ness, truthfulness and public spirit. It rewards injurious activities, and gives some of the highest prizes as a premium for some of the greatest wrongs, dishonesties, oppressions and injustices. It is destructive of liberty and individuality, as well as of virtue and comfort; it ruins men body and soul. It condemns vast numbers of children to a birthright of misery, disease and sin. . . . It periodically disturbs the nation's industries with flurries and panics. It gives the keys of the world's wealth to Wall Street gamblers. It wastes five-sixths of the industrial forces of the world. . . . It has given us a distorted civilization, in which one per cent. of the people own more than three-fifths of the wealth, five per cent. are in chronic want, five per cent. are pernicious or useless, ten per cent. insufficiently nourished, fifty per cent. unjustly treated, receiving less of power and wealth than is their due, and ninety per cent. insufficiently and improperly educated. . . . It prevents the survival of the fittest. . . . Competition is the insanity of the past, and the colossal crime of the present."<sup>1</sup>

The motto of competition is, "Every man for himself and the devil take the hindmost." The principle of competition is the principle of duplication. It confesses that no business can be properly done unless two or three times as many are engaged in it as are necessary. Says Edward Bellamy:—"If one of you should apply the same method of utter planlessness, utter lack of insight, utter lack of co-operation, to your own factory or farm, your friends would have you in an asylum in twenty-four hours, and be called longsuffering at that."

"Why, then, this regret over the approaching doom of a system under which nothing can be properly done without doing it twice, which can do no business without overdoing it, which can produce nothing without over-production, which in

<sup>1</sup> *Philosophy of Mutualism*, Parsons, pp. 9, 10, 11.

a land full of want cannot find employment for strong and eager hands, and finally which gets along at all only at the cost of a total collapse once in seven years, followed by a lingering convalescence?"<sup>1</sup>

Competition is already giving way to the principle of combination as evidenced by the trust, which has been called, "The unconscious forerunner of Socialism." The policy of restricted competition is simply a recognition of the Socialist demand. Competition is the individualistic way of doing business; combination is the socialistic way. Every trust is a concession to Socialism. It virtually admits the truth of socialistic charges, that competition is wasteful, and that by combination the cost of production could be greatly reduced and harmony established in the industrial realm. A trust is simply the use of Socialism for the benefit of the few.

The question is, whether we shall have organized capital in the hands of individuals or in the hands of society? That business in the future must be organized is evident. The choice is not between competition and combination, for competition is already disappearing. Choice must be made between the two kinds of combination, plutocratic or democratic. Combination either of the few or of the many is inevitable. The question, then, is not Combination *versus* Competition but Plutocracy *versus* Socialism.

<sup>1</sup> *The New Ideal*, July, 1889.

## CHAPTER VIII.

## INDUSTRIAL DEMOCRACY, OR DEMOCRATIC GOVERNMENT.

SOCIALISM is industrial democracy. It would put an end to the irresponsible control of economic interests, and substitute popular self-government in the industrial as in the political world.

Economic democracy is a corollary of political democracy. A man should have a voice in the industrial group of which he is a member, as well as in the political group. This department of life is of the utmost interest to every man. Why should he be deprived of a voice in that which is so vital to his welfare? Why republicanize politics and not republicanize industry?

The present economic rulers hold the livelihood of the people in their power, and admit of no responsibility. Socialism would bring this industrial *régime* under popular government, to be exercised *by* the people in the interests *of* the people.

Popular self-government must be substituted for the present aristocratic, despotic form of government. There must be an end of private control of public interests for private aggrandizement. Industry itself must be democratized. The economic system upon which the welfare of all depends is too important to be left in the hands of irresponsible parties. When individual enterprise was supreme, there was opportunity for all to acquire a livelihood, but the economic evolution has completely changed these conditions. We find no longer a free field for competition. Territory after territory has been fenced in by great corporations, until our economic system presents the aspect of a centralized gov-

ernment, administered by monopoly in the interests of monopoly.

What is the alternative to this ever increasingly unfortunate condition of affairs? The people as individuals cannot gain control of their economic interests, for the industrial system of the future must be systematized; but they can bring these interests under collective control, and this is the only alternative to economic oligarchy. The industrial, like the political system, ought to be managed by the people themselves. This would not involve more government as is often affirmed, but would merely substitute one form of government for another. The present industrial management is despotic in its nature. In place of this despotism, it is proposed to substitute a pure self-government,—a social democracy. There is no reason why we should have sovereign rule in the industrial realm, more than in the political; or why we should abrogate chattel slavery, and leave untouched industrial slavery. We have now arrived at the point where choice must be made between government by the few and for the few, or by all and for all. As I have said, it is impossible to restore to the people individually, control of their economic interests; but as a people collectively, they can systematize and manage their interests in their own behalf, substituting for the present irresponsible rule of the few, responsible public agents, managing the affairs of society for the benefit of all the people.

Industrial democracy, being in the line of evolution, is certain of attainment. Democracy has already been attained in politics and religion, and industry is passing through similar stages of development.

In the early period of human history men fought singly. Next they gathered into groups for self-preservation, forming the tribe or nation, which necessitated a leader, a chief, or a king. When these rulers began to abuse their power, the

people rose in their might and asserted their independence. They dethroned the monarchs and selected their own governors, making them responsible to society for their official acts.

In religion we find the same development. Men first worshipped alone, then they gathered into groups and formed religious societies. These organizations were led by men appointed for the purpose. When the priests began to abuse their power the people rebelled. Reformations were inaugurated and religious democracy established.

Do we not find the same thing in industry? Man first worked individually, then gradually there came division of labor, and they became associated in groups. These associations grew into combinations of greater and greater magnitude, each requiring management, and so chiefs and captains of industry appeared. These rulers, like those in politics and religion, have perverted their power, and the people will again rise and make their economic rulers,—as they did their political and religious rulers,—responsible to themselves.

Democracy has always followed despotism. Will it fail in the industrial realm?—No! The aristocracy of wealth, like that of the priesthood and of birth, will die. We shall have an industrial republic, planted upon the foundations of our political republic. Our present system of industrial despotism will be supplanted by industrial democracy. Socialism means “industrial self-government.”

It is sometimes said, “Extension of the sphere of government would result in tyranny.” This objection rests on a great misapprehension. Government as at present constituted has two functions,—the coercive and the administrative. While Socialism would enlarge the latter, it would render unnecessary the former. These two functions of government are closely bound up with the present system. Under competition, where each labors for his own interest, some check is necessary to the promptings of individual

selfishness. Government is thus endowed with certain obnoxious powers made necessary by our false system of economics. In the inevitable conflict constantly arising over private interests, the State holds the balance of equity. But with the incoming of Socialism all interests would be united, class antagonisms cease, and with it, the coercive function of government. As humanity moves toward perfection, the co-operation of all for the restraint of each will be less and less needed, but the co-operation of all for the help of each will be more and more required.

All Socialists work for the decentralization of government. They hold that the present state is too highly centralized. They desire to transfer functions from the centre to local units, that the business of the people may be near *to* the people. Local self-government is their watchword. They also desire to reduce the functions of government to a minimum. While they favor such regulation as is necessary in carrying out the principles of the Co-operative Commonwealth, beyond this they decline to go. Outside the economic and educational spheres their attitude is *laissez-faire*.

All government activity, then, is not socialistic. Only that can be called such which renders collectivity dominant in the economic sphere. As a matter of fact, Socialism disapproves nine out of ten of the schemes proposed to enlarge the sphere of government. Much which fanaticism and ignorance has denounced as socialistic is really anti-socialistic, and has received the condemnation of Socialists. All pensions, subsidies, grants, and such kinds of governmental interference, are designed to bolster up the very thing that Socialism disapproves of.

It is often objected that Socialism would increase the spoils of office a thousandfold. This is also based upon a misconception. The objection implies the retention of the present political machinery, while the Socialist insists upon

a political change hand in hand with the economic change. He insists on new machinery for the new motive power. The present political machinery would be clumsy and unsuitable to the new social order. Socialists "cannot use a machinery which renders legislators the people's masters and allows them to conduct public affairs with a view to private and class interest."

The new order will have no use for president or governors. The power vested in these officials, enables them to become masters during their terms of office. Under Socialism the veto will rest in the hands of the people. All appointments would be made from below, thus establishing a true democracy,—the form of administration in which no one can become master of the situation and conduct affairs with a view to private profit.

Neither would there be any use for our present representative system,—or *mis*representative system as it might well be denominated. It needs no argument to demonstrate that our present representative system is false, both in theory and practice. Laws passed to-day seldom represent the will of the majority. This is due to the district system which compels a party to lose all votes cast in a district until a plurality is gained, and obliges the party that has a plurality to throw away all votes in excess. Again, the more parties in the field the smaller the number necessary to elect, and the further the legislator comes from representing a majority in his district. Methods have been proposed to remedy this obvious evil, but the most perfect representative system that could be devised, would be a failure in this age of dishonesty and selfishness. The so-called representative is in reality a master. His power over his constituents is absolute. He is subject to no instruction from them, and may vote against every measure he is pledged to support. Popular sovereignty begins and

ends at the ballot-box. When his ballot is cast the voter surrenders his boasted self-government into the hands of his representative, whom he empowers to vote as he pleases. We need not expect good government from a system that places a premium on dishonesty. The fewer hands in which we place the power of government, the more liable is that power to be abused. In place of this representative system we would inaugurate the referendum, which means the submission of the laws to the people for ratification or rejection. If the referendum were in force to-day, but a small proportion of the laws that are passed in our legislatures would ever be heard of. The referendum would make our lawmakers our servants, who merely assist the people in making the laws. Were the veto power to-day in the hands of the people, a legislature full of scheming politicians could do but little harm. The vote of the legislator would be of no more value than that of any other citizen. While lobbyists can "fix" a few legislators, they cannot well get at all the people. The referendum would require that public opinion be back of all laws; unless public opinion is favorable to it no law can be effective. It would be expedient because bills would then be intelligently discussed before they became laws. Among the founders of our government there were many of aristocratic tendencies, and many others who feared to trust the people, so the government which was established was in the nature of a compromise. There is still another step to be taken before we have true political democracy,—the initiative and referendum must be established. Direct legislation would do away with the political ring, boss and heeler. Mr. Bryce, in the *American Commonwealth*, in speaking of the growing sentiment in favor of direct legislation says,—“They [the Americans] remark with truth that the mass of the people are equal in intelligence and character to the average State legislator, and are



exposed to fewer temptations. The legislator can be 'got at,' the people cannot. The personal interest of the individual legislator in passing a measure for chartering banks or spending the internal improvement fund may be greater than his interest as one of the community in preventing bad laws. It will be otherwise with the bulk of the citizens. The legislator may be subjected by the advocates of woman's suffrage or liquor prohibition to a pressure irresistible by ordinary mortals; but the citizens are too numerous to be all wheedled or threatened. Hence they can and do reject proposals which the legislature has assented to." <sup>1</sup> As De Tocqueville has said, "The remedy for the evils of our so-called democracy, is more democracy." Direct legislation is the only effective method of applying the remedy.

Under Socialism, the economic and social organization and the political organization, would become synonymous. Every man would be a public functionary, and so a part of the administration.

Doing away with representatives does not mean that there would be no directors of affairs. There would be agents of the people to perform certain work, but they would be administrators. Their tenure of office would continue during good behavior. These directors would remain no longer than the interests of the people were subserved. Let me give briefly a sketch of the Socialist administration. This is admirably stated by Mr. Gronlund, and I can do no better than cite his words:—"Suppose, then, every distinct branch of industry, of agriculture, and also teachers, physicians, etc., to form, each trade and profession by itself, a distinct body, a trades-union (I simply use the term because it is convenient), a guild, a corporation managing its internal affairs itself, but subject to collective control.

"Suppose, further, that the 'heelers' among the opera-

<sup>1</sup> *The American Commonwealth*, Bryce, vol. I., p. 472.

tives in a shoe factory in a given place come together and elect their foreman, and that the 'tappers,' the 'solers,' the 'finishers,' and whatever else the various operators may be called, do likewise. Suppose that these foremen assemble and elect a superintendent of the factory, and that the superintendents of all the shoe factories in that district in their turn elect a—let us call him—district superintendent. Again, we shall suppose these district superintendents of the whole boot and shoe industry to assemble themselves somewhere from all parts of the country and elect a bureau chief, and he with other bureau chiefs of related industries—say, the tanning industry—to elect a chief of department.

"In the same manner I shall suppose that we have got a chief for every group of related mechanical and agricultural and mining pursuits, a chief for the teachers, another for the physicians, another for the judges; further, one or more chiefs for transportation, one or more for commerce; in fact, suppose that there is not a social function whatever that does not converge in some way in such chief of department."

"I mean that these chiefs of department shall form the national board of administrations, whose function it shall be to supervise the whole social activity of the country. Each chief will supervise the internal affairs of his own department, and the whole board control all those matters in which the general public is interested.

"But just as all inferior officers, this national board will be nothing but a body of administrators; they will be merely trusted agents to do a particular work; they will be in no sense 'governors,' or 'rulers;' or, if anybody should choose to call their supervision and control 'government,' it will, at all events, rather be a government over things than over men. For they will decree no laws.

"If a general law is thought expedient, one that will affect the people at large or those of any one department, then we

suppose this national board simply to agree on the general features of the measure, and thereupon intrust the drafting of the proper bill either to the chief whose department it principally concerns, or what might be the usual course, to the chief of the judges. When this draft has been discussed and adopted, the board will submit it to the people either of the whole country or of the department, as may be, for their ratification. The national board is thus no lawmaker, therefore no 'government,' but an executive body strictly."<sup>1</sup>

Each directing officer would be held responsible, not only for his own work, but for that of his subordinates. While appointments would be made from below, dismissals would come from above,—“Subordinates elect, superiors dismiss.” This would obviate divided responsibility by making the officers responsible to some one person. In case any officer abused his power he himself would be dismissed by his superior. Should he be found inefficient, a foreman would be removed by the superintendent, a superintendent by the bureau chief, or a bureau chief by the department chief. The latter official, however, would be made responsible to the whole body of his subordinates. If any department or member thereof became dissatisfied with the chief, the imperative mandate could be called into service in the same manner as the initiative. That is, any person could draw up a petition demanding the removal of the officer and upon receiving the signatures of a majority of the department, his office would be declared vacant by the proper officers and an election called to fill the vacancy. The initiative and imperative mandate could, if thought advisable, be used in the case of every officer. Thus, the foreman of any shop or superintendent of any factory could be recalled by the very persons who placed him in power, the majority always ruling. The officer thus deposed would take his place among the rank and file and

<sup>1</sup> *Co-operative Commonwealth*, Gronlund, pp. 194, 195.

there remain, unless elevated by a subsequent election. Is not this democracy,—an administration by the people? Every man would have a part in the administration of affairs. That such a system would work well in practice we may see by studying labor organizations and trade unions. These unions furnish us the skeleton of the future commonwealth.

That Socialism would greatly improve government is evident because it would make administration of vital concern to all the people. It would raise into prominence a nobler class of men, and draw into the public service the talent of the country. As the prosperity of all would depend upon efficient management, the full moral strength and mental acumen of the nation would be at the public service.

People of all parties are beginning to realize that the root of present difficulties is economic. Says Sidney Webb, "There is every day a wider consensus that the inevitable outcome of Democracy is the control by the people themselves, not only of their own political organization, but, through that, also of the main instruments of wealth production; the gradual substitution of organized co-operation for the anarchy of the competitive struggle; and the consequent recovery, is the only possible way, of what John Stewart Mill calls the 'enormous share which the possessors of the instruments of industry are able to take from the product.' The economic side of the democratic idea is, in fact, Socialism itself."<sup>1</sup>

Says Professor Parsons, "Not until the nation's workers are partners in the nation's productive capital will complete industrial self-government be possible, and as manhood, love and justice demand self-government, they also demand the essential basis of self-government, the public ownership of productive capital."<sup>2</sup>

<sup>1</sup> *Fabian Essays*, American Edition, p. 9.

<sup>2</sup> *Philosophy of Mutualism*, Parsons, p. 20.

## CHAPTER IX.

### THE MORAL STRENGTH OF THE CO-OPERATIVE COMMONWEALTH.

SOCIETY as at present constituted, offers upon every hand varied temptations to evil. Much testimony might be adduced to evidence the responsibility of society in this direction. Many a man is a criminal, not from choice but from the force of circumstances. It is not natural but social causes which produce individual wealth and individual poverty. The social philosophers have not gone deep enough into the causes of present conditions. Much of the crime, perfidy, and venality of to-day are due to the laws, methods and institutions of modern society. That business life tempts one to be untruthful, none will deny. All forms of mercantile transactions are filled with deception. The ability to drive a bargain, is the ability to make things appear different from what they really are. Herbert Spencer informs us that "as the law of the animal creation is 'eat or be eaten,' so of the trading community it may be said the motto is, 'cheat or be cheated.'" The practice of dismissals for non-success in selling has led the clerks to practice all sorts of dishonesties, and resort to any method to effect a sale. Competition has resulted in various kinds of dishonest tricks; in fact, as John Bright once said, "Adulteration is another name for competition." These things are so common that I need not dwell upon them.

All of this perfidy and dishonesty will cease when temptation is removed. "Abolish private capital, and you remove almost entirely the temptation to steal; and, should one steal from the State, he could make little use of the stolen prop-

erty. Merchants could not cheat, for there would be an end to all buying and selling. Lying would no longer be 'one of the great powers of Europe,' or America, for there would be little to lie about. Manufacturers could not deceive, for the State would be the sole producer. Contractors would no longer defraud; bank defalcations would not be heard of when banks ceased to exist; trustees could not embezzle when there was no property to be held in trust: in short, all crimes against property, and crimes against persons, prompted by desire for money, would certainly disappear in the socialistic state, because the temptations to commit them would be removed."<sup>1</sup>

Socialism by removing poverty would eliminate one of the chief causes of felony. The ablest defenders of capitalism admit the advantages of the socialistic state. Says Dr. Woolsey:—"There would be no tramps, no public beggars, and no strangers coming to steal. . . . In fact, the eighth commandment would be far easier to keep than in society as it now is. The sixth commandment, too, might also lie on the shelf. . . . Then a number of crimes such as forgery, embezzlement, counterfeiting—all crimes, in fact, against property, and many of those which injure the person, would be much limited in their sphere of operation . . . and if an end were put to all these things, society evidently would return to a state of things in which lawyers, judges, and voluminous statutes would not be necessary."<sup>2</sup> To be able to labor in behalf of such a grand consummation ought to inspire us with zeal and enthusiasm. Socialism wishes to environ men with such conditions that it will be advantageous for them to be honest. It proposes to remove temptation, by surrounding people with such a social constitution that it will be for their interest to do right. Such a reformation is

<sup>1</sup> *Socialism from Genesis to Revelation*, Sprague, p. 279.

<sup>2</sup> *Communism and Socialism*, Woolsey, p. 261.

worthy the concentrated efforts of all faithful and noble citizens.

It is said, "Socialism cannot be established until human nature is improved." I contend that human nature is all right as it is. The thing needed, is to make right conduct possible. The present system of society is founded upon dishonesty and deceit. To maintain present conditions until men reform, is putting the cart before the horse. Socialism says, "Furnish man with such an industrial environment that if he is inclined to be honest he will not be forced to be dishonest in order to succeed." The ethical ideals of Socialism have inspired its adherents with a zeal and devotion worthy of the highest praise. The aim of Socialism is to realize in all the relations of life the brotherhood of man. To attain this ideal, provision is made for all dependent classes, the very system itself providing a mutual insurance, where all industrially incapable shall be guaranteed a sufficient income. Socialism would minister to this feeling of brotherhood by furnishing an environment favorable to the development of moral qualities. The importance of a proper environment cannot be over-estimated. The destruction of the idle class at both ends of the social scale would be wholesome, for "idleness is morally pernicious."

The demand of Socialism is equity,—social justice. It is not simply a question of expediency, but one of morals. To allow unequals to prey upon each other, is to allow the strong and cunning to ensnare the weak and innocent. There was often really more fellow-feeling between the master and the slave, than is now manifest between the employer and the employed. The condition, however, of the laborer under the present system, is hopeless. The evils from which he suffers cannot be mitigated and the system maintained. In place of this *laissez-faire* which separates society into two classes, we must establish the essence of Socialism,—brother-

hood. Socialism means "we all;" individualism means "I myself." Socialism means "all for each, and each for all;" individualism means "each man for himself." The essence of individualism is self-interest, which results in selfishness and sin, which when finished bring forth death. "The ethics of Socialism are clearly akin to Christianity if not identical with them." The basis of Socialism is love, sympathy and brotherhood.



## CHAPTER X.

## SOCIALISM AND MODERN PROBLEMS.

## I.—THE LIQUOR TRAFFIC.

HAVING seen how Socialism would completely solve the monetary issue, the tariff question, the wage problem and the relation between employer and employee, I now wish to call your attention to the liquor traffic and point out the socialistic solution of this gigantic enigma. I need not go into details to show the enormity of this insatiate Moloch. Its ruinous effects are seen on every hand. But the problem of how to deal with this monster is as vital and important as ever.

In spite of all our temperance organizations, the Church and restrictive legislation, the consumption per capita of alcoholic liquors is constantly increasing. To know how to deal with this evil, we must first ascertain its source. The root of the saloon power is private interest. "Neither local enactments nor police surveillance can do much so long as public-houses are in the hands of private individuals who find their profit in encouraging intemperance without regard for age or youth, rich or poor."<sup>1</sup> The first step, then, toward mitigating this evil is to socialize the traffic. It must be entirely removed from private control and manipulation. It is this private gain that renders the business unmanageable, and furnishes the incentive that paralyzes all effort in behalf of temperance reform. The socialization of the traffic would render private gain impossible and thus remove the hindrance to moral and religious restraint. But so long as

<sup>1</sup> *Fifth Special Report of the Commissioner of Labor*, p. 110.

the business is left in private hands little can be accomplished. Under Socialism the traffic would be conducted to satisfy public demand, and those who handled it would in no way profit by the sale of the commodity. As their salaries would not depend on the amount of liquor sold, they would have no incentive to violate the laws. The case is far different, however, where there is seven or eight cents profit in a ten-cent drink, and the income of the dealer depends upon how much he can sell. Under such conditions we need look for but little improvement in the line of temperance.

The abolition of private capital, which would mean the socialization of the industry, is the only practical remedy. When this is accomplished the moral and religious forces will have an opportunity to become effective. Should the people ever rise to the plane of absolute prohibition it could be easily obtained, for having no private interest in opposition, all that society need do would be to cease to offer the stuff for sale.

An advantage immediately attained by nationalizing the traffic, would be in removing all adulterations. The State would certainly have no motive in poisoning its citizens. Socialism would greatly decrease intemperance by abolishing its natural ally,—the present industrial system.

The cost of the liquor traffic to the American people is something astounding. Our prohibition friends often point out the saving per capita which would result from abolishing this evil. But would the laborer be benefited by this saving? We are aware of the beautiful picture presented of the laborer's home beautified and furnished with that which he had formerly expended at the saloon. This delineation, however, proceeds upon the assumption that his wages would remain the same. If this be true, his benefit is the result of his rising above his class. Were all to become temperate and so able to save one-half their wages, their income would

soon fall to the point of bare subsistence. If one man saves fifty per cent. of his wages, the amount formerly spent in drink, he can live and support his family as well as he did before his reformation on one-half his income. As long as labor is a commodity and the labor market is over-stocked, the press of competition will compel him, sooner or later, to cut under the regular rate. Another, to secure employment, follows suit, and finally he finds himself no better off than before. This would be the inevitable result of prohibition under the present system. One man may reform and receive a benefit, but if all should reform he would lose his advantage.

We are often pointed to the young man, who by thrift and industry, constantly rises to positions of greater and greater importance, while his fellows who are unsteady and intemperate are not thus favored. But here note that the reason for this man's advance was not alone his faithfulness, but the unfaithfulness of the others which gave him an advantage. Now suppose all had been faithful, and steady, and temperate. Would he not have lost his advantage? Could all have been thus benefited by cultivating these virtues? Evidently not, for all could not be overseers, there being opportunity for the services of but one. The fact that this man was the only one temperate secured for him the position. Thus it does not follow that because one sober and industrious man succeeds better than his fellows who are lazy and intemperate, that all would succeed by being upright. If there were a panic in a theatre one strong six-footer could force his way out over the bodies of those who were weaker. But it would be foolish for him to say that if all had been strong six-footers they could have gotten out. If such had been the case, the probability is, he would not have gotten out himself. All such remedies as thrift, intelligence and temperance, only result in increasing the employer's

profits. So long as labor is a commodity and the means of production are owned by a few, such virtues, good as they are, can effect no permanent relief. The competition in the labor market will compel men to accept the lowest wages upon which they can live and keep up their labor power. The number of the unemployed is constantly increasing, and the struggle for an opportunity to earn a livelihood, even of the poorest kind, is often hopeless. In times of business depression millions of men are out of employment and glad of a chance to work at any price. The man who by his temperate habits has been able to save a few dollars a year, is thrown out of employment, and considers himself fortunate if he is able to keep body and soul together.

Temperance is one of the noblest of virtues, but it is in no way a solution of the economic and social problems of today. It would eliminate much evil and suffering, but would not eradicate the wrongs of the present order. The absolute prohibition of the liquor traffic, even could it be accomplished, would not remove poverty, or secure to the laborer a larger share of the product of his toil.

Socialism furnishes the only solution to the liquor traffic.

## 2.—POVERTY.

Socialism would entirely abolish poverty. The existence of poverty in the midst of plenty is a libel on modern civilization. This condition is entirely due to false social arrangements, whereby some monopolize the means and products of industry.

It is not necessary for me to dwell upon the condition of the masses. Volumes might be filled with citations of misery, degradation, squalor and want that would make one heartsick. If private ownership of land and capital necessarily keeps millions in poverty in order that a few may roll

in luxury, then private ownership of these instruments must go the way of the feudalism which they superseded.

Under the present *régime* a few have monopolized the earth and the fulness thereof and are enabled to live in idleness and luxury. Is it any wonder that poverty exists under such conditions? Poverty would be impossible were every man obliged to labor for his living instead of living off the labor of others. Socialism would abolish poverty by doing away with this useless, parasitic class. One must not fall into the fallacy of supposing that only the idle rich are useless and that all laborers are useful. We must also add to the wealthy class, all their domestic servants, and a large body of workers who are engaged in producing things that only the rich can purchase. All consume necessities but only a few are engaged in their production. If one hundred men are thus employed and fifty are withdrawn by the owner of an estate, and set at work constructing a castle, the remaining fifty must do double the work, for there are just as many to feed but only half the number to produce. It is evident, then, that the more men there are withdrawn from productive employment to serve the wealthy, the fewer there are to produce the necessities of life and the harder they will have to labor.

“The population [of Great Britain] is about 36 millions. The annual income about 5,000 millions. One-third of the people take two-thirds of the wealth, and the other two-thirds of the people take one-third of the wealth.

“That is to say that 24 millions of workers produce 5,000 millions of wealth and give 4,000 millions of it to 12 millions of idlers and non-producers.

“This means that each worker works one-third of his time for himself, and two-thirds of his time for other people.”<sup>1</sup>

<sup>1</sup> *Merrie England*, Blatchford, p. 205.

Now if we deduct from this 24 millions the number of women and children who produce nothing, and the millions of men who produce only superfluities and luxuries, we shall find that not over one-half of the 24 millions, or one-third of the entire population, are engaged in the production of the necessities of life. What is true of England is practically true of the United States. At present not over one-third of the population are engaged in producing necessities. Now if one-third produce enough for all, three-thirds would produce three times our requirements; or, if one-third can create our necessities by working nine hours a day, three-thirds can produce the same in three hours a day. And more than this, for under public management, owing to the great economies of public production, the three hours labor would not only produce an abundance of necessaries but of luxuries as well. This would mean leisure for all to be utilized in securing health, in the enjoyment of life, and the attainment of knowledge.

Remember, the poor want just what the rich want, and that is not work, but the products of work. How often do we hear luxury defended because it gives employment. The fallacy of this is well satirized in the following lines:

“Now Dives daily feasted and was gorgeously arrayed,  
Not at all because he liked it but because 'twas good for trade.  
That the people might have calico he clothed himself in silk,  
And surfeited himself on cream that they might have more milk.  
He fed five hundred servants that the poor might not lack for bread,  
And had his vessels made of gold that they might have more lead.  
And e'en to show his sympathy with the deserving poor,  
He did no useful work himself that they might do the more.”

What we all want is not work but the results of work,—that which labor produces. If one man secures more than his share it is because some one else has received less. The belief that all can be rich is an error. The very fact

that some are wealthy evidences that others are poor. The power of a dollar in one man's pocket is due to the lack of a dollar in the pockets of others. The art of making some rich is also the art of making others poor. To say that a man has amassed a fortune of one million dollars does not mean that he has added that amount to the existing wealth, but rather that he has been able to appropriate that amount of wealth. He has been able to establish claims upon present and future production equal to that value. His fortune, then, in so far as he is concerned, is an unearned one. No man can create that value in a lifetime. If he receives that amount it is only because he has been able, by existing right and custom, to appropriate that amount of wealth created by his fellows. Abolish this exploitation and poverty will disappear. Poverty is the necessary concomitant of the present industrial order. The destruction of capitalism will obliterate poverty.

Socialism is the only solution to the problem of poverty.

### 3.—LABOR-SAVING MACHINERY.

The introduction of labor-saving machinery, constitutes one of the most serious problems in the economic realm. I will cite a few statistics relative to the displacement of labor as given in the First Annual Report of the Commission of Labor.

“In the manufacture of agricultural implements new machinery during the past fifteen or twenty years has, in the opinion of some of the best manufacturers of such implements, displaced fully 50 per cent. of the muscular labor formerly employed.

“In the manufacture of small-arms, . . . 1 man individually turns out and fits the equivalent of 42 to 50 stocks in 10 hours as against 1 stock in the same length of time by

manual labor, a displacement of 44 to 49 men in this one operation.

“In brick-making improved devices displace 10 per cent. of the labor, while in manufacturing fire-brick 40 per cent. has been displaced.

“The manufacture of boots and shoes offers some very wonderful facts in this connection. In one large and long-established manufactory in one of the Eastern states the proprietors testify that it would require 500 persons working by hand processes to make as many women’s boots and shoes as 100 persons now make with the aid of machinery, a displacement of 80 per cent. . . . Goodyear’s sewing machine for turned shoes, with 1 man, will sew 250 pairs in 1 day. It would require 8 men working by hand to sew the same number. By the use of King’s heel-shaver or trimmer 1 man will trim 300 pairs of shoes a day, where it formerly took 3 men to do the same. One man with the McKay machine, can handle 300 pairs of shoes per day, while, without the machine, he could handle but 5 pairs in the same time. In nailing on heels, by the use of machinery, 1 man and a boy can heel 300 pairs of shoes per day. It would require 5 men to do this by hand. In finishing the bottoms of shoes, 1 man with a sand-papering machine can handle 300 pairs, while it would require 4 men to do the same by hand.

“The broom industry has felt the influence of machinery, the broom-sewing machine facilitating the work to such an extent that each machine displaces three men. One large broom-manufacturing concern, in 1879, employed seventeen skilled men to manufacture 500 dozen brooms per week. In 1885, with nine men and the use of machinery, the firm turned out 1,200 dozen brooms weekly. Thus, while the force is reduced in this one establishment nearly one-half, the quantity of brooms sewed is much more than doubled.



“In the construction of carriages and wagons, a foreman of fifty years’ experience testifies that the length of time it took a given number of skilled workmen, working entirely by hand, to produce a carriage of a certain style and quality was equal to thirty-five days of one man’s labor, while now one man produces substantially the same style of carriage in twelve days.

“In the manufacture of carpets, some of the leading manufacturers in the country, and men of the largest experience, consider that the improvement of machinery in the past thirty years, taking weaving, spinning, and all processes together, have displaced from ten to twenty times the number of persons now necessary.

“The cotton goods industry offers, perhaps, as striking an illustration as any of the apparent displacement of labor, a Delaware house considering that the displacement has been 17 per cent. outside of motive power.

“In the manufacture of flour there has been a displacement of nearly three-fourths of the manual labor necessary to produce the same product.

“In the manufacture of furniture from one-half to three-fourths only of the old number of persons is now required.

“In leather-making, in some grades of morocco, there has been an apparent displacement of perhaps 5 per cent., and in the manufacture of patent leather nearly 50 per cent.

“In the production of metals and metallic goods, long-established firms testify that machinery has decreased manual labor 33 1-3 per cent. . . . By the use of improvements and inventions during the past ten or fifteen years in hammers used in the manufacture of steel, there has been a displacement of employees in the proportion of nearly ten to one. A first-class journeyman can make from 600 to 1,000 two-pound tin cans per day by hand process. By the use of machinery he can make from 2,000 to 2,500 per day.

In the making lard-pails, a machine is in use by which one man, with one boy as tender, can produce as much as was formerly produced by ten skilled men. . . . In the manufacture of bread boxes, what was done in 1876 by thirteen men and women working together, is now accomplished by three men.

“One boy, running a planing-machine in turning out wood-work for musical instruments and materials, does the work of twenty-five men.

“In the manufacture of wall-paper the best evidence puts the displacement in the proportion of one hundred to one.

“In silk manufacture, 40 per cent. represents the displacement, according to some authorities, in the general manufacture, while in weaving there has been a displacement of 95 per cent., and in winding of 90 per cent.

“A large soap-manufacturing concern very carefully estimates the displacement of labor in its works at 50 per cent.

“In woollen goods, in the carding department, modern machinery has reduced muscular labor 33 per cent.; in the spinning department, 50 per cent., and in the weaving department, 25 per cent. . . . An establishment in Indiana has worked out the displacement of muscular labor by machinery very carefully and in the following ratio: In weaving woollens, one machine equals six persons; in spinning, one machine equals twenty persons; in twisting, one machine equals fifteen persons; in picking, one machine equals forty persons, and in carding, one set of patent carders will turn out more in one day than the old carders would in one week.

“The mechanical industries of the United States are carried on by steam and water power representing, in round numbers, 3,500,000 horse-power, (*a*) each horse-power equalling the muscular labor of six men; that is to say, if men were employed to furnish the power to carry on the

industries of this country, it would require 21,000,000 men, and 21,000,000 men represent a population, according to the ratio of the census of 1880, of 105,000,000. The industries are now carried on by 4,000,000 persons, in round numbers, representing a population of 20,000,000 only."

Many other illustrations are given but this will suffice. In commenting upon these, the Commissioner of Labor says :— "It must stand as a positive statement, which cannot successfully be controverted, that this wonderful introduction and extension of power machinery is one of the prime causes, if not the prime cause, of the novel industrial condition in which the manufacturing nations find themselves.

"The direct results, so far as the present period is concerned, of this wonderful and rapid extension of power machinery are, for the countries involved, over-production, or, to be more correct, bad or injudicious production. . . . If England, the United States, France, Belgium, and Germany unitedly produce more cotton goods than can be sold to their regular customers or in the world among people that use cotton goods, over-production exists, and it does not matter that the millions of human beings who do not consume and who do not desire cotton goods are unsupplied. So far as the factories and the operatives of the countries concerned are to be taken into consideration there does exist a positive and emphatic over-production, and this over-production could not exist without the introduction of power machinery at a rate greater than the consuming power of the nations involved and of those depending upon them demand ; in other words, the over-production of power machinery logically results in the over-production of goods made with the aid of such machinery, and this represents the condition of those countries depending largely upon mechanical industries for their prosperity."

Over-production does not mean that more goods are pro-

duced than are needed to satisfy the needs of all, but that more goods have been produced than can be sold. The overproduction of commodities means idle workmen. Thus the introduction of labor-saving machinery constitutes a serious problem. And it is far more serious now than when the report was made (1886), for the displacement of labor is far greater today than at that time, and is constantly increasing. Scarcely a day passes that we do not read of some new invention which displaces labor. Are these new inventions beneficial to workmen? It may be seriously questioned. Machinery has passed into the hands of a special class, and it has been estimated that two-thirds of the benefit goes to them and only one-third to consumers. Of course all laborers are consumers and have been thus indirectly benefited. But the real question is, Has machinery lightened a day's toil? This is what truly measures the benefits of machinery to labor. With John Stuart Mill, we may well question if such is the case.

The trouble, however, is not with machinery, for machinery is designed to serve man and mitigate the struggle for existence. If it fails in this respect, it is not because machinery is injurious, but because its benefits have been monopolized. It is not machinery which is an evil but the private ownership of machinery. No one would claim that land is an evil, but the private ownership of land can hardly be termed a blessing.

Could the air which is necessary for life be appropriated by the few, it would not mean that the air was injurious, but only the method of dealing with it. So with machinery. It ought to be of service to man in lessening his toil, and rendering his life more enjoyable, but in the hands of a few it has become a social curse. It has supplanted human labor and has brought to the workingmen but little benefit. The introduction of labor-saving machinery has turned the work-

ingman out of employment, and has reduced his wage to the point of bare subsistence. So it must ever be under the capitalistic *régime*. Labor will be more and more displaced as inventive genius is developed.

The introduction of labor-saving machinery is constantly rendering more and more laborers superfluous, and so creating an industrial reserve army, which serves to keep wages down to the point of bare subsistence. The result of this enforced idleness on the part of workmen, reduces consumption to a minimum and so undermines home markets. Machinery should be the servant of man and not his oppressor. It should be the means of releasing man from toil and rendering him free, but in the hands of the capitalist it has become a lever toward aggravating his servitude. Says Professor Parsons:—"Manhood is made the slave of machinery instead of its master. Thousands of children, tens of thousands of men and women, spend their whole lives in feeding, cleaning, and ministering to these great, dumb, beautiful monsters that have usurped the throne of our civilization in the interests of a few cunning men who contrive to keep the favor of the monarchs of the nineteenth century."

The existence of labor-saving machinery under the present *régime* is a serious problem. The time will surely come when machinery will do the work of the world. Think of the thousands of workmen already displaced through the introduction of new methods. Machines are being produced nearly every day that increase the productivity of labor from ten to one hundred fold. This means that one does the work of many, and leaves the many idle upon the streets begging for bread. Among the latest inventions is a hoop-driving apparatus which is creating consternation among the coopers in St. Paul. Skilled mechanics are being eliminated, only a few common laborers being necessary to watch the machines. In

western mines machines are being introduced, each doing the work of eight men. Mr. Hobbs of the Hobbs' Manufacturing Company has invented a machine which bids fair to make a great change in the tag industry. The machine, which works automatically, and is tended by one girl does the work of five persons. And now word comes from Italy that a new tanning machine has been invented whereby skins can be converted into leather in forty-eight hours, thus doing away with the expensive process now in vogue. This invention bids fair to revolutionize the tanning industry. The displacement of labor here involved may be seen from the fact that two men can attend to five machines, beside doing other work. These instances might be greatly multiplied did space permit. The announcement of such inventions is a matter of daily occurrence. Men are continually being supplanted by labor-saving machines and thrown helplessly on to the street. What are these superfluous workmen to do? So long as the few possess the machinery they will monopolize the product. The only solution of the problem is for labor to own the machine. Then it will serve man as designed and not compete with him as it does to-day. Socialism is the only solution of this problem.

Under Socialism the introduction of new machinery would result in a blessing to all. If some new invention displaced one-fourth of the laborers in a certain department, these superfluous workers could then become engaged in the production of luxuries which could not be produced before because of lack of labor force. When the time came, through the introduction of new methods, that all the necessities and luxuries are produced in abundance, then further improvements could be applied toward reducing the hours of labor. Thus all under the new order would be equally benefited by the improved method of production.

The stimulus which Socialism would give invention when

inventors are rewarded directly for their labor, will be very marked. There would probably be organized a department for mechanical improvements where inventors would receive the best of wages, and especially be rewarded for great discoveries. There is every reason to suppose that we are in the beginning of an inventive era, the progress of which will be the substitution of machinery for men in every department of life. The changing from one department to another will then be but a subsidiary matter. Even at present it takes but a few days' study for a skilled workman to master a new machine. Under Socialism the youth would receive a full industrial training, and would be amply instructed in the use of machinery. He would become the skilled mechanic, trained in the mechanism of machinery, and so capable of adjusting himself to any department of industrial life.

The machine under the present *régime* competes with labor ; under Socialism it would serve labor. The only way that machinery will be of much service to labor is for labor to own the machine.

#### 4.—TAXATION.

Under Socialism the many evils of taxation would disappear by the abolition of the system itself. Scarcely anything connected with our present order of society is open to greater criticism. The inquisition on the part of assessors begets prevarication on the part of tax-payers, and the effect upon morality is most disastrous. The whole system results in the most abominable inequalities. Yet we have become so accustomed to these disreputable methods, that we are oblivious to the inequalities involved.

Professor Ely, in *Taxation in American States and Cities*, says :—" Our present system, then, must be rejected as not answering the requirements of practical morality. It is thought necessary at every step to reinforce it with oaths of citizens

and administrative officers, and there is nothing which so blunts the conscience as the frequent oaths in our political life."

"Our system of taxation tends to bring the morality of the community down to the level of its most unscrupulous members, and that in this way: No device known to man can enable the assessor to get at certain classes of personal property in the hands of the cunning and unscrupulous. They make false returns, and their neighbors know it; the entire community, in fact, knows that men of large means are not bearing their fair share of taxation; people feel that it is an iniquity to place upon them burdens which properly belong to others, and so they, too, make inadequate returns, and still the voice of conscience with meaningless quibbles."

"Another aspect of this case is presented by the facts of competition in business. Those who escape the payment of a fair share of business taxes have an advantage in business which enables them to undersell their competitors, and when a business man sees ruin staring him in the face because his dishonest neighbor makes false returns and pays taxes on only a fractional part of his property, the temptation to do likewise is almost irresistible, except for moral heroes, and moral heroism cannot be made the basis of governmental action."

Under Socialism all this evil would be removed. There would be no taxes to pay and consequently none to evade. The commonwealth would derive its revenues from rent and such a percentage added to the cost of commodities as would be necessary for the collective needs. The State being sole producer would simply retain such part of the product as is requisite to defray the general expenses. Thus the vast army of assessors and tax-collectors could be dispensed with and turned to some productive employment.

Each would bear a share of the public expenditure in pro-



portion to his consumption, and none could evade, as at present, his just contribution to the social outlay.

The rent, which would be utilized for public needs, is that of land used by citizens for houses or other private purposes, and would probably be regulated as at present by its utility. Agricultural land, of course, would be a part of the collective plant.

Socialism would solve the problem of taxation.

#### 5.—ILLITERACY.

According to the *Seventh Special Report of the Commissioner of Labor* :—"In the whole city of Baltimore the illiterates constitute 9.17 per cent. of the native-born population and 12.40 per cent. of the foreign-born, the percentage of both being 9.79. . . . In the city of Chicago at large the illiterates constitute 0.81 per cent. of the native-born population and 8.31 per cent. of the foreign-born, the percentage of both being 4.63. . . . In New York the percentage of illiterates is 1.16 of the entire native-born population and 14.06 of the foreign-born, the percentage for both being 7.69. . . . Philadelphia shows . . . that 2.18 per cent. of all native-born persons are illiterate and 11.29 per cent. of foreign-born, the united percentage being 4.97." What is true of these cities is practically true of all others. One of the greatest problems of to-day is illiteracy. The present system is an enemy of education, inasmuch as it is for the interest of employers to secure child labor, and as the parents find it difficult to live without the help of their children, they, together with the capitalist, conspire to evade the law. There is no question but that the present capitalistic system is hostile to popular education, and it furnishes conditions favorable only to the education of the few. Socialism, by making compulsory education effective, and by removing the incentive to depriving children of instruction, would remove

the cause of illiteracy. It is generally conceded that Socialism would lead to a higher state of education. Not only would Socialism raise the standard, but not meeting with the reactionary forces which now oppose its enforcement, its ends could be easily attained. Under the present condition of over-worked labor there is but little time or opportunity for the development of the mind. Socialism would put an end to this wrong. The over-worked would be relieved. Were all the able-bodied to engage in useful labor, a few hours a day would suffice to produce all needful commodities, and time would thus be given for the cultivation of the moral and intellectual natures.

Socialism would surely remove illiteracy.

#### 6.—THE SOLUTION.

One of the strongest features of Socialism is its all-inclusiveness. This is marked in contrast with many of the patchwork schemes put forth by social reformers. Trades Unionism might be conceived as benefiting a large element of society, but there would be many left behind, and among them the most wretched and dependent. There is and can be no sufficient remedy but Socialism for the evils from which society is suffering to-day. Many palliatives, besides Trades Unionism, have been proposed, most of which are socialistic in nature, but inadequate for the reason that they do not touch the root of the trouble. Profit-Sharing, Co-operation, Land Naturalization, Prohibition, Christianization of Capitalism, and many other schemes, all are steps in the right direction, but of themselves are insufficient to produce industrial and social peace.

Perhaps no plan that has been proposed is more futile than that of Christianizing the existing order. I say futile because it contains in itself a contradiction. The principles of the existing order are unchristian. The very Alpha and

Omega of capitalism is self-interest. The whole system exists by exploitation, which is the very essence of private capital. Can exploitation be Christianized?

Another element of the present order is freedom of contract. We have but to look at the Stock Exchange and other speculations, which to-day pervade society, the corners secured on necessities of life and even the opportunities of work necessary to obtain the sustenance of life,—all of which are in accordance with this principle of freedom of contract,—to see the inherent evil in the working of this principle. The trusts and monopolies which are but perpetual corners are the result of this principle of freedom of contract. To say that such is unjust is perhaps too mild a word. Is not the intentional taking of something without giving an equivalent the essence of theft? And does it make any difference, if to gain consent of him who is robbed, advantage is taken of necessity? Forced acquiescence does not change the character of the transaction, or even calling it a contract mitigate the evil.

In 1892, between the months of February and November, the price of coal in the East, as investigated by Congress in 1895, was advanced by the coal railroads \$1.25 and \$1.35 per ton. This extortion amounted to about \$40,000,000 in one year.<sup>1</sup> It will not do to say that people need not buy coal if they think it too high. They must buy it or freeze, and it is only because of this necessity that the combine can exact the high rates. Private monopoly is the inevitable consummation of freedom of contract. Monopoly in private hands means the power to tax the people for private purposes. We deny the moral right of a few thus to take the advantage of the many to enrich themselves. We fail to see how such a principle can be Christianized.

Another principle of the present order is competition.

<sup>1</sup> *Wealth vs. Commonwealth*, Lloyd, p. 14.

This has been called the hub of the industrial wheel. It is utterly unchristian and antagonistic to the very essence of the Gospel. "Competition is war, Christianity is peace." Competition being anti-Christian it cannot be Christianized; it must be abolished. Slavery and polygamy both sought Christianization, but in vain. None of these evils can hope to perpetuate their lives by Christianization.

Christianization cannot solve the problems of to-day, except through the means of Socialism. The evils from which we suffer are inherent in the capitalistic system. Poverty, illiteracy, intemperance, etc., are necessary concomitants of the present industrial order.

Socialism, then, is the only remedy, the only solution of modern problems.

## CHAPTER XI.

## INDUSTRIAL DEPRESSIONS AND CRISES.

ONE of the greatest anomalies of our present civilization is the vast body of the unemployed. This enforced idleness is a permanent feature of the capitalistic system, and constitutes what Marx calls an "industrial reserve army," the size ever rising and falling with industrial activity and depression. This class, however, has become permanent and is ever increasing, the number in times of crises and panics reaching enormous proportions. The uncertainty of employment is one of the great curses of to-day. This sense of insecurity renders life almost unbearable. Is not such a condition of affairs amazing? Among this body of unemployed are men of every occupation, willing to work and supply each other's wants if given the opportunity. Why is this privilege denied them? Why this vast waste of labor power? Why must men suffer want, when they are willing to work and supply themselves with the necessities of life? Is not a system that compels such involuntary idleness condemned by the very act? The resources of nature are ample, men are plenty, but both are idle, And why? Simply because if the means of production were fully utilized, the supply would exceed the commercial demand; and production being carried on for the sake of the profits, ceases as soon as the profits are threatened. Instead of producing for the purpose of satisfying social wants, curtailment of production is resorted to, factories are closed, men thrown out of employment and suffering increased.

How can a system producing such a deadlock, creating artificial famine through which millions are reduced to

misery and destitution, be defended? Society, which if permitted, could produce sufficient to supply the needs of all, is prevented from doing so by those who monopolize the means of production,—those who care not for society's needs, but produce only for the sake of profits.

Nor is this all. The result of this present chaotic production, in all the fields where competition is still in force, brings periods of activity and depression with almost the certainty of prediction. Each producer acts for himself, all in secrecy, though his success will depend upon how much his rival produces and sells. All goes well for a season, until suddenly we are confronted by an over-production, followed by industrial depression and crisis.

We may have an industrial depression without producing a financial or commercial crisis or panic, although finances are always more or less disturbed by such conditions, and frequently the financial crisis appears as the first evidence that the body economic is out of order. The real distinction between the panic or crisis and the industrial depression is, that the former is usually short and decisive, while the latter involves some duration of time. The underlying cause of both, however, is the same. These depressions and crises have not been confined to any one nation, but have been world-wide and nearly contemporaneous in all the great manufacturing countries.

The Report of the Commission of Labor on Industrial Depressions gives a summary of dates as follows: Great Britain 1803, France 1804, the same nations again in 1810. In 1814 the United States makes its appearance in industrial depressions. France again suffered in 1813, and Great Britain in 1815, all three nations in 1818, also in 1826, but in 1830 the depression was confined to Great Britain and France. In 1837 the crisis embraced all three countries and in addition Belgium and Germany, in 1847 all these nations

were included with the exception of Belgium, which did not feel the depression until one year later. The next period of business stagnation began in Belgium and Germany in 1855, in France in 1856, and in the United States and Great Britain in 1857. Belgium again felt a depression in 1864, Great Britain and France in 1866, the United States in 1867. In 1873 all these nations experienced this same economic disease, and again in 1882 with the exception of Great Britain whose depression began a year later. In 1893 all these nations found themselves again suffering from this dread evil. Production had again exceeded commercial demand, which resulted in enforced idleness and untold suffering, not because the resources of nature had been exhausted, but because there had been too much produced. We had again the anomaly of misery on the one hand, and over-flowing storehouses on the other. Here, then, is a riddle which capitalism has never solved. "It is the *reductio ad absurdum* of the capitalist production." Socialism alone points out the cause of this phenomena; it is the "anarchy of private enterprise."

This is well stated by Mr. Gronlund in the following words:—"Private enterprise compels every producer to produce for himself, to sell for himself, to keep all his transactions secret. . . . But the producer and merchant daily find out that their success or failure depends, in the first place, precisely on how much others produce and sell, and in the second place, on a multitude of causes—often on things that may happen thousands of miles away—which determine the power of purchase of their customers. They have got no measure at hand at all by which they can even approximately estimate the actual effective demand of consumers, or ascertain the producing capacity of their rivals. In other words, private enterprise is a defiance of nature's law which decrees that the interests of society are interdependent."

“Just take a bird’s-eye view of the way private enterprise manages affairs. Observe how every manufacturer, every merchant, strives in every possible way—by glaring advertisements, by under-selling others, by giving long credits, by sending out an army of drummers—to beat his rivals. . . . Let us suppose the season a favorable one; all of them receive orders in greater number than they expected. These orders stimulate each one of the manufacturers to a more and more enlarged production far ahead of the orders received, in the hope of being able to dispose of all that is being produced. But mark! this production of all these manufactures is, and must necessarily be, absolutely planless. It depends altogether on chance and the private guesswork of these enterprising individuals, who are all guessing entirely in the dark. . . . To a thoughtful observer nothing will seem more inevitable than that this planless production must end in the market being at some time overstocked with commodities of one kind or another; that is, that it must end in over-production as to those goods. In that branch of production prices consequently fall, wages come down, or a great manufacturer fails, and a smaller or greater number of workmen are discharged.

“But one branch of industry depends upon another; one branch suffers when another is depressed. The stoppage of production at one point, therefore, necessarily shows itself at another point in the industrial network. The circle of depression thus grows larger and larger from month to month, failure succeeds failure, the general consumption diminishes, all production and commerce are paralyzed. We have got the crisis. To those who were all the time planning and working in the dark everything seemed to be going on as usual; it has naturally come on them like a thunderbolt from a clear sky.”

“When such a crisis has lasted for years, when such sacri-



fice of goods and standstill of production has finally overcome the over-production, then the inevitable demand at length calls for renewed production ; and society commences to recover slowly, but only to repeat the old story. Producers want to indemnify themselves for what they have lost, and hope to make sufficient before another crisis comes on. Because all producers act in like manner, each one trying to outflank the other, another catastrophe is invited. It responds to the call, and approaches with accelerated strides and with more damaging effects than any of its predecessors.”<sup>1</sup>

Again, Mr. Alexander Jonas admirably expresses these facts as follows :—“ This commercial trade rivalry and industrial strife is not confined to domestic manufactures, but the struggle is international, and nations far apart vie with each and all others. . . . In order to gain trade and increase customers, manufacturers resort to every possible resource. New machinery is invented and applied in order to reduce cost of production ; wages of workmen are reduced, in order to manufacture cheaper. Goods are adulterated, and quality is sacrificed.

“ Manufacturers no longer sell, like the old time craftsman, direct to the consumer, but to large jobbers and distributors, who transport wares to all parts of the country, and supply smaller dealers, traders and shopkeepers. In order to retain or hold the trade of these large buyers, every conceivable concession is made by rival manufacturers. They sell goods on long credit ; i. e. let them have manufactured articles on tick.”

“ Immense masses of goods are produced for which there is not the least demand. Manufacturers must keep on turning out goods to keep machinery and works in action ; the business man places orders in anticipation of new orders,

<sup>1</sup> *Co-operative Commonwealth*, pp. 35, 36.

and in this way pays his old debts by contracting new ones.

“ Finally all trade becomes blockaded ; business stagnates ; industry languishes ; orders slow up, for stocks are abnormally large. Workmen are suspended, laid off, discharged. With payment of wages also suspended, they buy little, and pay for less. Business becomes duller.

“ Artificial incidents are added to real causes ; . . . a few bank failures add increasing fear to the general distrust ; financial conditions become shaky, . . . and lo ! suddenly we are startled by a spectral confrontation of an immense crash !

“ As the stores are stuffed full of all kinds of goods for which there is no demand, there is a scarcity of orders at the business houses. For this reason manufacturers are compelled to shut down their works, or produce only half time. Business men cannot pay their old debts, for they cannot contract new ones. Banks refuse to loan money, some of them even burst because they have loaned out too much. Railroads and ships have nothing to do. Hundreds of thousands and millions of workmen are unemployed.”

“ What is the real cause, therefore, of the crisis, the cause of so many workmen being unemployed ?

“ It is not the gold or silver question ; not free trade or tariff, etc., but solely and exclusively the fact that primarily in our present senseless and planless system of production ; in trade and commerce, there are created, in a stated period, more goods than can possibly be consumed, and therefrom results stagnation and the crash overtakes us.”<sup>1</sup>

These statements make clear the cause of industrial depressions. No man would think of applying such a method to his individual business. If he did, what would be the result ? Suppose, for example, a manufacturer of wagons should

<sup>1</sup> *Labor Library*, No. 9. Issued by the Labor News Co.

thus proceed. If the various departments of the factory were set at work without plan or concerted action, and at the end of the year the several parts produced were put together, what do you imagine would be the result? Do you think the wheel, top and body departments would find their products equally adjusted? To say nothing of minor subdivisions of the work, there would probably be several hundred more tops than bodies to match, while the wheels would be found insufficient to meet the requirement, etc., etc. All would produce without plan, each department merely guessing at what would be needed and so we would find excess here and shortage there. In these departments where overproduction exists the workmen must remain idle until the other branches catch up, when all can again proceed. But if the same planless method is pursued, the same result will inevitably follow. Now what would you think of a man who conducted his business in such a haphazard manner? And yet this is precisely the way our national production proceeds. Is it any wonder that the industrial organism frequently gets out of order? The wonder is, that our industrial mechanism runs as well as it does. For certainly a more planless, chaotic, and anarchistic method could not be conceived of. While each producer continues to act for himself without any knowledge of what others are doing, demand and supply can never be adjusted. In the southern states, on Jan. 1st, 1892, there was \$6,500,000 worth of cotton for which there was no demand, simply because each man raised his crop independent of all the others.

This evil is inherent in the capitalistic system, and can only be removed by Socialism. Professor Ely says that this claim of Socialism is well founded, "because crises and industrial depressions are part and parcel of the competitive system of industry, and would cease to affect society with the abolition of the competitive system." Under Socialism,

therefore, commercial crises would be impossible. The evil would be plucked up by the roots. So long as production is carried on by thousands of bosses, engaged in suicidal competition, so long will they manufacture goods regardless of commercial demand, and the cause which leads to bankruptcy and ruin will remain untouched.

Industry can only be regulated by socializing production. When all orders come into one central office the demand will be known, and production can proceed accordingly. The demand will also be ascertained by official returns furnished by the various departments. Any temporary deficit or surplus would be adjusted by means of the reserve stores,—the public warehouses. Socialism, then, would completely eliminate the industrial depressions and crises, with their attendant ruin and suffering.

We hear it frequently stated that the trust will eliminate the crises. This, however, is a false conception, for the trust would fail to check over-production. Its real mission is to shift the evils of the crises, by restricting production, discharging workmen, etc., from the capitalists to the laborers and consumers. Even international trustification would but divide the capitalist class into hostile camps. Suppression of competition on one side would leave antagonisms on the other, for the commodities produced by one trust would be needed by another. The interest of one as producer would be opposed to another as consumer. No! the trust will not abolish the crises, but only give them a different form and extend their sphere. Bankruptcies would not disappear, but rather involve whole sets of capitalists, thus making the devastation greater and more lasting. So long as private property in the instruments of production continues, the crisis, either periodical or permanent, is inevitable.

Another cause, however, would render over-production certain, even if the trust could eliminate the present chaotic

method. Under the wage system, the product of the producer is divided into two parts. One part goes to labor in the form of wages, the other to capitalists, landowners and other gentlemen at large, in the form of interest, rent and profits. Statistics show that these two parts are about equal. The laborers receive in wages only about half the values they create, consequently cannot buy back *all* they produce. On the other hand, those who receive the other half get much more than they can consume, even with their best efforts. Here, then, is a cause for over-production or rather under-consumption, for there can be no such thing as the former so long as men are in need,—so long as wants are insufficiently supplied. What is meant is that those who have the money do not need the goods, and that those who need the goods do not have the money. Under the wage system this condition of affairs would result, even if all the producing forces should act in concert, for the working people who constitute the great body of consumers can only purchase about half the product of their toil. Nor even that, for they receive but about 50 per cent. of the *net* value of the products (but 53.8 per cent. of the value their labor has added to the raw materials). When they come to spend their wages they must buy at the *gross* value, and this cost is greatly increased by middlemen. Now when we take into consideration money spent for doctor bills, insurance, rent, pleasure, etc., it is evident that they cannot purchase in excess of 20 per cent. of the values they produce. These estimates are made on manufacturing industries, where wages are the highest. Taking the laboring class as a whole they can purchase only 15 per cent. to 18 per cent. of the wealth they produce. This being true, if every industry were organized into a trust and all acted in perfect harmony, laborers could not be continually employed; for, to utilize all the economic resources, would mean to produce in excess of commercial demand.

It is thus that the wage system has become a social curse.

Foreign markets are necessary to provide an outlet for the excess of production. The cry for them goes up from every land where modern methods are employed. The use of machinery has so increased the productivity of labor that, unless some outlet is found, production must cease at intervals until the excess is consumed. It does not cease because the needs of the people are all supplied, but because of the cessation of commercial demand. The men who labor would gladly consume more, but the part of the product allowed them for their toil will not enable them to do so, and to increase their portion would be to decrease the share of the non-producers. The capitalist must, therefore, look elsewhere for consumers of this surplus. A constantly expanding production requires a constantly expanding market. But markets have failed to expand in proportion as the power of production has increased. In this way markets become overstocked and panics ensue. These industrial depressions have been frequent since 1825, and now, owing to the multiplied power of production in all civilized nations, there is a chronic state of depression. The introduction of modern methods into foreign countries, especially into India, Japan, and Australia, are enabling those nations to produce for themselves. All such peoples will soon begin to foster home industries, and will cease to become customers, and become competitors. In fact they are already adopting our inventions and improvements. Truly, foreign markets are being closed. What will be the result? There is but one answer, the capitalistic system will fall. It will end in the bankruptcy of capitalist society,—a great cataclysm,—unless forestalled by the Co-operative Commonwealth. The only way an effectual home market can be produced, is to give the workingmen the full product of their toil. But this will

mean a revolution in our industrial system. The wage system which has built up the capitalistic *régime*, will certainly work its overthrow.

We have seen that the crisis is the result of our planless system of production, and its consequent exploitation of labor. When this exploitation ceases and labor receives the full value it creates, the cause of panics will be removed. Labor will exchange for labor, value for value. At present, as we have seen, the laborer receives but about one-half of the net values he creates, and but about one-fourth of the gross values. The value of manufactured products, according to the United States Statistics of 1890, amounted to \$9,372,000,000, and the total wages paid were \$2,171,000,000, or about 23 per cent. of the product.<sup>1</sup> Of course, if laborers receive less than one-fourth of the value of the products they cannot buy all that is produced. In other words, as they receive but one dollar of every four dollars worth of wealth produced, they will be unable to purchase but one quarter of the total product. And not even that, for fully one-sixth of their wages goes for rent. This, together with the other incidentals, already mentioned, and the fact that they must buy at *retail* prices, further reduces their purchasing power. When over-production or under-consumption is the very essence of the profit system, is it any wonder that we have industrial depressions and business stagnation, culminating in panics?

One of the most important features in the report of the Commissioner of Labor already referred to, is the alleged causes of industrial depressions which have been gathered by Congressional Committees and Agents of the Bureau appointed for the purpose. Several hundred causes are enumerated among which are speculation, unsatisfactory financial conditions of the country, inflation of the currency,

<sup>1</sup> See *New York World*, Sept. 30th, 1896.

over-trading, extension of credits, the tariff, monopoly, over-production, the banking system, fall in prices, introduction of machinery, etc., etc. All of these alleged causes are seen in the light of the foregoing to be of the nature of results, or at most but secondary causes. The real cause underlies them all. Thus speculation, extension of credit resulting in failures, over-production, fall in prices, *all* can be traced to the industrial system itself,—the methods of private business, the industrial anarchy, and the planlessness of the present system of production, coupled with its inherent exploitation of labor. Many people mistake the occasion for the cause. These conditions which have been mentioned may lead to, but they are not the cause of, business depressions; some may be effective in precipitating a crash, but none are moving factors. When the industrial organism becomes thoroughly permeated with disease, it requires but a little factor to precipitate a collapse. Do not be deceived by the demagogue's cry of money panics. The part that money plays in such depressions is merely the lack of money in the right pockets. Increase the circulating medium to fifty dollars per capita, and unless enough of it is paid labor to enable the producers to purchase the full value of their products, the markets will become glutted and business depressions ensue. All panaceas that leave the profit system untouched are futile. They do not go to the root of the evil. The only remedy is the abolition of production for sale and profit.

While over-production might ensue under any system, it could be productive of no evil were production carried on for the satisfaction of wants. The farmer is not injured by producing more corn than he needs for his own use; he stores the surplus against poorer harvests. So if society should produce more than its members could possibly consume after the wants of all are fully satisfied it would not in any way be



disadvantageous. But when, as to-day, production is carried on for sale, to exceed the commercial demand is to be confronted by congestion of products which compels cessation of industrial activity, enforced idleness, and cutting off the consumptive power of labor with its concomitant of want and misery.

Socialism has correctly diagnosed the social malady and prescribes the true remedy. Professor Toynbee, in speaking of the social revolution, says, "Another direct consequent of this expansion of trade was the regular recurrence of periods of over-production and of depression, a phenomenon quite unknown under the old system, and due to this new form of production on a large scale for a distant market."<sup>1</sup> Over-production and industrial depression, then, are the result of modern industrial methods. The phenomenon made its appearance with production for sale, and has grown in severity as capitalism has developed. The root of the evil is inherent in the capitalistic system of production and can only be removed by Socialism.

<sup>1</sup> *The Industrial Revolution*, Toynbee, p. 91.

## CHAPTER XII.

## THE CONDITION OF LABOR, PAST AND PRESENT—COMPARISON.

THERE have been many misconceptions concerning the condition of labor to-day as compared with the past. The defenders of the present order are quite prone to sweeping statements, but a careful examination of the facts show one that workingmen have not steadily improved in their condition, nor has poverty always increased with progress. Statistics, as all know, are often compiled to make out a case. Mr. Rae, for instance, to substantiate his position that labor has never been so well off as to-day, quoted Gregory King and S. Matthew Hale in support of his theory. In other words, he picked out facts that are favorable to his position and omitted the others.

We have but to glance at the charts given by Mr. Bliss, the editor, in the abridged *Work and Wages* by Thorold Rogers, M. P., late Professor of Political Economy in the University of Oxford, to be assured that labor has not steadily gained or retrograded during the last six centuries. Like everything else, labor has had its ups and downs. "Those who comfort themselves," says Mr. Bliss, "and sometimes excuse their comfort, by asserting that however badly off the workingman is to-day, he is at least better off than ever before, have no justification in history for their content."<sup>1</sup> As we look at the curves of the charts in their successive peaks and valleys, we see how easily partialists and special pleaders can prove their position by a careful selection of their data. Thus, the great fall in English wages in the last quarter of the sixteenth century, due to

<sup>1</sup> *Work and Wages*, Humboldt Edition, p. 148.

the monopolization of the land, brought the wages of the seventeenth century to a low level, but not to so degraded a condition as was reached in the latter half of the eighteenth century and the first quarter of the nineteenth, due to the monopolization of machinery. Since that time, labor has partly retrieved its loss, so to-day the condition of the workmen is superior to that of the laborers of the first half of the seventeenth century, to which Mr. Rae's authorities refer. However, labor is as yet far from regaining its golden age,—the fifteenth century. Says Professor Rogers, "I have stated more than once that the fifteenth century and the first quarter of the sixteenth were the golden age of the English laborer, if we are to interpret the wages which he earned by the cost of the necessities of life. At no time were wages, relatively speaking, so high, and at no time was food so cheap. . . . Relatively speaking [then], the workman of to-day is not so well off as he was in the fifteenth century."<sup>1</sup> Indeed, the fifteenth century was the golden age of English labor. Agricultural labor received twice, and skilled labor three times as much as it does to-day, and eight hours, Professor Rogers informs us, constituted a day's work. Let it be remembered that the relative condition of wages is always based upon their purchasing power. The wages of the artisan in the fifteenth century would be equal, to-day, to nearly \$4.00, and that of the agricultural laborer to nearly \$3.00. The average labor wage placed at \$3.00 would be a conservative estimate.<sup>2</sup>

Along with this golden period may be contrasted the era of pauperism. Says Professor Rogers, "I am convinced that at no period of English history for which authentic records exist, was the condition of manual labor worse than it was in the forty years from 1782 to 1821, the period in which

<sup>1</sup> *Work and Wages*, pp. 73, 90.

<sup>2</sup> See charts by Mr. Bliss already referred to.

manufacturers and merchants accumulated fortunes rapidly, and in which the rent of agricultural land was doubled" (p. 110). The average wage for this period was less than \$1.00 and the length of the working day from twelve to sixteen hours. At last, in 1824, relief came in the repeal of the obnoxious laws, that for five centuries had been directed against workmen, denying them the right to combine for their own protection. These laws for the first two centuries, we are informed, were a failure, but for three centuries they were a complete success. This act was repealed in 1815, but little progress was made until after 1830. Since then many acts of legislation have helped the progress of the laborers, especially the artisan, who by combination has been able to secure advantages in the sale of his labor. Although the workingmen have improved their condition, they have not regained the "Merrie England" of the fifteenth century.

The inquiry may arise, as to the cause of this degradation from which labor has but partially recovered. I have already mentioned the chief cause, the monopolization of the land. But there were other reasons, such as the issue of the debased currency by Henry VIII. in 1543, and his confiscation of the property of the guilds. Also Elizabeth's act of restraining wages by fixing seven years as a necessary apprenticeship, and the empowering of the justices to fix all rates of wages. This latter, however, was nothing more than what had been previously enacted but was inoperative, and would have remained so had not the workingmen been weakened by the other causes mentioned. Says Professor Rogers, "I contend that from 1563 to 1824, a conspiracy, concocted by the law and carried out by parties interested in its success, was entered into, to cheat the English workman of his wages. . . . For more than two centuries and a half, the English law, and those who administered the law, were engaged in grinding

the English workman down to the lowest pittance, in stamping out every expression or act which indicated any organized discontent, and in multiplying penalties upon him when he thought of his natural rights" (p. 88). These derogatory acts, baneful as they were, would not have engulfed the workman, could he still have had access to the land. Under feudalism a landless man was an outlaw. Every man had a little land for use, and so long as he paid his tax, in the way of feudal service, his tenure was secure. Of course, theoretically, all land belonged to the King, and he allotted it out to Barons, and they in turn sub-let it to their fellows. Rent in the economic sense did not exist. What they rendered for the use of the land was merely a tax. The land was in effect nationalized, and this was the one chief cause of prosperity. But this prosperity was thwarted by the Barons, who gradually stole the land. They had held it heretofore for use, but now they began to claim it in possession. They enclosed the common fields for pasturage, evicted the peasantry, and turned the land into sheep walks. As long as they paid large sums to the King, he did not care how they treated the peasants. Gradually there arose English landlordism, and rack-rent appeared as the product of the sixteenth century. This resulted in the condition of labor to-day,—nobles on the one hand, slave workers on the other.

It is an advantage to those who wish to show that labor is now better off than ever before, to assume that history began with this century. They also hope to gain in the further assumption that machinery has been of benefit to the laborers. But to determine whether laborers have been benefited by the introduction of machinery, we must not compare different periods of machine production, but this period as a whole, with that of handicraft. Such comparison evidences that laborers were better off, in many ways, before the conspiracy than they are to-day. But it is said, "The

laborers have many comforts to-day that they did not possess four hundred years ago." True, but what of it? You might as well compare the laborer to-day with the South African, who is in no need of a coat or pair of shoes. Remember, the laborers of that time were in no need of many things which are to-day necessities. But, for the things that are needful, it requires more labor to acquire them to-day, than in the despised middle ages. Says Hallam, "The laborer is much inferior in ability to support a family than were his ancestors four centuries ago." The savage in warm climates needs but few clothes, but the tramp in northern temperatures must have covering of some kind or perish. Would it be argued that because the tramp wears a pair of shoes in the depths of winter, that he is really better off than the savage?—Assuredly not. The savage may have none of these things and still his needs be fully met. The nobles of the middle ages did not have many of the advantages that are to-day possessed even by the common laborers, but would you argue that on this account they were poorer off? "The fact that the city beggar may now enjoy many more things than the backwoods farmer does not prove the beggar better off than the farmer." Tramps wear shoes and clothes that kings and princes of former ages might envy. But does this prove that tramps are better off than former rulers? "A man's poverty," says Rodbertus, as paraphrased by Professor Ely, "does not depend so much upon what he has absolutely as upon the relation in which his possessions stand to those of others about him, and upon the extent to which they allow him to share in the progress of the age. A cannibal in the Sandwich Islands is not poor because he has no coat; an Englishman is. When the vast majority were unable to read, a man was not poor or oppressed because he was unable to purchase books, but a German who to-day has not the means to do so is both poor and op-

pressed.”<sup>1</sup> That workingmen have more than formerly simply shows that conditions have changed. Civilization has increased wants, and industrial progress has multiplied the necessities of life. If these wants increase faster than the means of satisfying them, poverty presents itself. A man who to-day has much may be poorer than his ancestor who had little. Many to-day are pauperized for the lack of things of which their forefathers never dreamed. All of this shows that poverty is something relative, not absolute. Laborers, of course, are in many ways absolutely better off than formerly, but it is this “unequal rate of progress,” that is hostile to the spirit of Democracy and of Christianity. It is not the absolute condition of which Socialists complain, so much as the relative. In fact, the whole question, as we have seen, is relative.

Socialists claim that the gulf between the social classes is widening, that class distinctions are constantly growing, and that present industrial methods instead of equalizing rates of progress between social classes, tends only to widen them. It is not absolute but relative conditions that threaten society. Right and social justice demand that these ever-increasing inequalities shall cease. Poverty is a relative term and can be determined only by comparison of the social conditions. I have dwelt upon this somewhat at length because of the fallacy of many well-meaning and intelligent people, who assume that because wages have absolutely increased, and laborers been benefited by the progress of social evolution that, therefore, there is no ground for complaint. Such persons look at but one phase of the situation. It is not, whether laborers are better off than formerly from an absolute standpoint, but whether they can as easily provide the necessities of life thrust upon them by modern conditions. If it requires more effort to meet the needs and requirements

<sup>1</sup>Quoted by Sprague in *Socialism from Genesis to Revelation*, p. 113.

of to-day than formerly, then the laborer's condition has not improved. The bare subsistence of to-day means more than the bare subsistence of fifty or seventy-five years ago. Even the lowest classes to-day cannot subsist on mere physical necessities; they have intellectual and social natures, which have certain requirements. It is beyond dispute, it seems to me, that the unskilled laborer cannot provide for his family in those things deemed necessary for reputable citizenship, as easily as the laborer of a century ago.

The workers of former periods were more independent than those of the present. All talk about freedom of contract under our present conditions is illusive. When a man goes to our great corporations to seek employment he has absolutely nothing to say. The work, wages, and time of labor are all fixed, and he must comply or seek employment elsewhere, only to find himself confronted by similar conditions. He must finally accept them or starve. To talk to such a man about freedom of contract is ludicrous. This freedom of contract belongs to a past era of production, and those who still prate about its glories, have entirely failed to grasp the meaning or conditions of modern industry. Competition, freedom of contract, and private initiative are fast becoming relics of an antiquated age; they have been negatived by the modern method of production. However essential they were in the era of small industry, they are fast being eliminated in this period of larger things. Monopoly has made the operation of these principles impossible. The degradation of labor is synonymous with its dependence. As the process of concentration goes on, and the remaining middle class is dispossessed, thus swelling the ranks of the already large number of proletarians, they will become more and more dependent, for an ever increasing number are losing control over the means of employment. Thus the



rich are growing richer and the poor relatively poorer and more dependent.

There is no remedy for this condition under the present system. So long as capitalism continues, labor will be exploited. Capitalist society is based upon the desire to live off the labor of others. Slavery consists in obtaining the fruits of others' toil without rendering an equivalent. Profit, interest, and rent constitute a condition of slavery, and could not exist were not men compelled by their necessities to submit to the extortion. Slavery has been abolished in name, but it still exists in all its horrors. There can be no profit, interest, or rent, save when men are not paid for their labor.

Combinations of workmen may succeed in forcing wages up, but they can never secure the full product of their toil, for as soon as wages rose to the point where it would be unprofitable for the capitalist to continue his business, he would cease operations. The capitalist purchases labor power in prospect of this surplus. If laborers were to receive the full value of their labor the capitalist could make nothing in the transaction. The capitalist system, then, means the exploitation of labor, and however high wages may rise, it cannot do away with this feature, without abolishing the system itself.

We frequently hear the claim that laborers are better off than formerly,—that is, that they are not fleeced quite as much and therefore ought to be satisfied and contented. Even were this claim true, it is not valid. If a highwayman should agree to take but half of what he has formerly appropriated, would we be justified in releasing him, with the understanding that in the future he must return to his victim half of what he has compelled him to give up?

Wages will be found to swing between certain limits. They cannot rise above the point where it will be unprofitable for the capitalist to purchase labor and carry on his

business, nor fall below the point necessary to keep working-men in a condition to work. In these days of cant and hypocrisy this necessity of present methods needs to be thoroughly understood. We have on the market altogether too many fake schemes for the improvement of the laborer's condition. None of these propose touching the root of the evil, but rather to refine the exploiting system and render it more respectable. A careful survey of the situation will evidence that there are tendencies at work which tend to reduce wages to the lowest point of subsistence. These forces which act to overstock the labor market are,—the expropriation of the small agriculturist and industrialist; the introduction of women and children into industry; the improvement in the technical arts which continually increases the productivity of labor; the introduction of labor-saving machinery which displace workmen, and the importation of large masses of labor from foreign countries. All of these forces result in depreciating the price of labor power, by increasing the labor supply. Thus we have to-day a permanent industrial reserve army from which the capitalist may draw.

The individual proletarian can only hope for redemption through the redemption of his class. The emancipation of the proletariat class will not be accomplished as in the social revolutions of the past, when class superseded class. When the capitalist supplanted the feudal lord, he inaugurated a new method of exploitation. But the redemption of the proletarian will mean the redemption of all classes, by the abolition of all the methods of exploitation, and the deliverance of society itself from the bondage of corruption into the glorious liberty of the children of God.

## CHAPTER XIII.

## CAPITALISM AND ECONOMIC WASTE.

ONE of the strongest claims for a scientific organization of industrial society is that it would suppress wasteful competition. None will deny that capitalism is responsible for prodigious economic waste. Competition and waste are convertible terms.

Let us consider some of the economies that would result from the elimination of this factor in modern industry. We will begin with the railways. The waste here is truly enormous. It has been estimated that the public ownership of railways would annually save the people of the United States over seven hundred millions of dollars, an amount sufficient to construct homes for three million and five hundred thousand persons, allowing a thousand dollars to a dwelling for a family of five persons.<sup>1</sup>

Next, consider the telegraph business. The Western Union, which has swallowed up most of the companies of a generation ago, is capitalized at \$100,000,000. Now deduct from this \$20,000,000, which it is estimated would be sufficient to duplicate the plant, and we have a loss of \$80,000,000. "This, however," says Professor Ely, "is but a fractional part of the total loss, because we must take into account the needless expense involved in operating the plants which have been ultimately absorbed. No one can tell what the total loss is, but certainly \$100,000,000 is an under-estimate."

Gas works also show the evils of competition. Take Baltimore as an example. There have existed at one time and another five or six gas companies in that city, which after a

<sup>1</sup> For estimates see the author's *National Ownership of Railways*.

gas war have consolidated with the old company. The one company now exists with a capital, including bonds, of \$18,000,000. The difference between this capitalization and the sum it would cost to duplicate the plant is \$13,000,000. Even allowing that the plant cost \$8,000,000, there would still be a waste in this one city of \$10,000,000.<sup>1</sup> That which is true of Baltimore is true of most of our large cities. Rival gas companies always consolidate and competition is always wasteful.

The milk business is another example of waste due to competition. Look at the number of companies engaged in supplying milk in any city, and compare the distribution of milk with the distribution of mail. Let us suppose that the mail of a city was all dumped in a heap and each carrier should take what he could easily carry and start out for distribution. Is it not evident that it would take a much larger force to do the work than is now required? Each carrier would have to run all over the city and a dozen would traverse each street. Think of the waste implied in our present planless distribution of milk! Three or four times as many wagons, horses, and men are required as would suffice if the business were properly organized, as is the mail service.

So with the stores. See the waste of labor power in this field. In every town of any size, there are numbers of useless stores. Who supports these? The community, of course. But why should society be so wasteful? Is it less insane for society to support ten stores when but two are necessary, than for a man to employ ten clerks when two are sufficient? Reflect for a moment on the vast number of needless stores in the country, with their thousands of proprietors, thousands of needless clerks, and thousands of buildings, all uselessly maintained by productive labor.

<sup>1</sup>*Socialism and Social Reform*, Ely, p. 121.

Socialism would turn this vast army into productive employment.

That which has been said of needless stores is also true of manufactories. If competition were destroyed, production could be carried on with at least a third of the present economic expenditure.

In this connection, let us note the waste in advertising which is due to industrial conflict. One man spends five hundred dollars and his neighbor has to do the same in order to keep his business. Next year the first man lays out one thousand dollars in advertising and his competitor goes beyond him, and so the struggle continues. The expenditure in advertising increases with the fierceness of competition. Mr. Magnusson, a careful student who has investigated the subject, estimates the expense of advertising in this country at five hundred millions of dollars a year. Of course all of this is not total loss; only that portion of capital and labor which is used up and leaves behind no real utility can be so considered. If a hundred dollars passes from one to another, society is neither richer nor poorer. But if labor or capital is consumed to no purpose, society loses. Energy which might have been utilized for profit and rendered productive has been wasted. Says Robert Blatchford:—  
“There are draughtsmen, paper-hangers, printers, bill-posters, painters, carpenters, gilders, mechanics and a perfect army of other people all employed in making advertisement bills, pictures, hoardings, and other abominations—for what?  
“To enable one soap or patent medicine dealer to secure more orders than his rival. I believe I am well within the mark when I say that some firms spend \$500,000 a year in advertisements.”<sup>1</sup>

Advertising is certainly expensive. A proposed ordinance in Boston to prohibit the distribution of bills on the streets,

<sup>1</sup> *Merrie England*, Blatchford, p. 45.

was opposed by the printers and paper dealers on the ground that it meant a loss to them of five hundred thousand dollars.<sup>1</sup> All of this is needless and wasteful. Society is in no way benefited thereby but rather injured, for it corrupts the press and engenders unwholesome rivalry. In fact, most advertisements are repulsive to the refined instinct. But all this is necessitated by capitalism and competition.

Another tremendous waste closely connected with this is the needless drummer. "Careful estimates from a variety of reliable sources," says Edward Sanborn, "place the number of commercial travellers in this country at 250,000." He then figures out their expenses, salaries, etc., and estimates the total at nine hundred and ninety-seven millions and five hundred thousand dollars (\$997,500,000). This vast sum is expended annually to maintain the institution of drumming, all of which is wasted. The profession adds nothing to the aggregate product of the country, and it does not in the long run affect consumption. Goods would have to be bought and consumed, drummers or no drummers. Capitalism necessitates this colossal waste; Socialism would prevent it.

Enforced idleness is another form of waste inherent in the present system. Statistics show that wage-workers engaged in manufacturing industries are idle one-tenth of the working days of the year. This means a loss to each wage-worker of some thirty to forty dollars annually. This enforced idleness of one-tenth of the working time would be equivalent to nearly two millions idle the whole year through. As one man creates annually nine hundred dollars worth of wealth, the two million idle men mean a loss to society of one billion and eight hundred millions dollars (\$1,800,000,000). Now add to this the one million absolutely idle and we have an enormous waste of nearly three billions of dollars a year.

<sup>1</sup> *Socialism from Genesis to Revelation*, Sprague, p. 289.

This is in industrial labor alone. If we include the enforced idleness in agriculture and mining we have an enormous sum. For all this economic waste the present order is strictly responsible. It is a warfare without method, system, or a single unifying principle. Socialism would eliminate this waste by removing the cause. All labor would be systematically organized and the productive forces utilized to the fullest capacity.

Closely connected with this permanent waste is the waste from commercial crises. This is appalling. Our recent experience renders it unnecessary of explanation. That such crises would be impossible under Socialism is admitted by all. Consequently the financial ruin involving untold suffering and economic waste would be prevented. Private enterprise, with its rivalry, secrecy, ignorance of what others are doing, and its risks, would be supplanted by concerted action which would enable society to adapt the supply to the demand and so adjust and regulate production that the crisis—the result of planlessness and social anarchy—would be a thing of the past. Professor Ely, speaking of this claim of Socialism, says :—“ This claim is well founded, because crises and industrial depressions are part and parcel of the competitive system of industry, and would cease to affect society with the abolition of the competitive system. Perhaps we here touch upon that loss which is chief among all those due to a competitive industrial order, and it may be that a description of the evils incident to crises and industrial depressions is as severe an indictment of present society as can be brought against it. The losses in a single year of industrial crises, and consequent industrial stagnation, amount to hundreds of millions of dollars, and involve untold misery to millions of human beings. Capital is idle ; labor is unemployed ; the production of wealth ceases ; want and even starvation come to thousands ; marriages decrease ; separations,

divorces, and prostitution increase in alarming proportions; and all this happens because the machinery of the industrial system has been thrown out of gear by the operation of some force or another, which, so far as we can judge from experience, is an essential part of the order of competition.”<sup>1</sup>

Another needless waste is litigation. The present system is responsible for the large expenditure of time and money in this direction, for the chief cause of litigation is private contract. It is claimed that nine-tenths of this expenditure would be saved under Socialism. There are in the United States seventy thousand lawyers. Add to this the cost of court-houses, furnishings, salaries of clerks, etc., and it aggregates a gigantic amount. Socialists do not claim that there would be no litigation under the new order, but they assert that with the abolition of private capital nine-tenths would disappear and consequently the waste involved would be saved.

The new order would also render needless a large per cent. of police and prisons. A large amount of crime is against property, and such, of course, would cease with the abolition of private capital and contract.

Another factor that might be mentioned is the waste from strikes and lockouts. The number of strikes, according to official reports, from January 1st, 1881, to June 30th, 1894, was 14,389. The establishments involved were 69,166, and employees thrown out of work were 3,714,231. The wage loss of these employees amounted to \$163,807,657. The assistance rendered them by labor organizations was \$10,914,406. The total loss to employers aggregated \$82,589,786.

The number of establishments involved in lockouts during this period was 6,067. The wage loss to employees amounted to \$26,685,516. The assistance rendered by labor organiza-

<sup>1</sup> *Socialism and Social Reform*, Ely, pp. 127, 128.



tions was \$2,524,298 and the total loss to employers amounted to \$12,235,451.

Even in New York City for this period there were 2,614 strikes, involving 6,467 establishments and throwing 215,649 workmen out of employment, with a wage loss of \$6,449,385 and a loss to the employers of \$3,545,766.

During the first six months of 1894 the number of strikes in the United States was 896, with a loss to employees of \$28,238,471 and to employers of \$15,557,166.<sup>1</sup>

In all these strikes and lockouts the loss affects not only the individuals directly concerned but society as a whole. None will deny that this economic waste is due directly to capitalism. Neither can it be denied that under Socialism this evil would be abolished.

Another economic loss is due to adulterations. This, Socialism would remedy by removing the motive for such frauds. The real incentive to fraudulent adulterations is private gain. This would be impossible under Socialism. The waste here is enormous.

The economic waste due to the liquor traffic is also enormous. A large proportion of this would be saved by Socialism, inasmuch as it would eliminate private gain. Much of the stimulus to this business is the fact that there is money in it. Remove this incentive and the evil would largely disappear. The annual liquor bill of this country is over one billion of dollars. In 1889 we consumed 91,133,550 gallons of distilled liquors, and 778,715,443 gallons of fermented liquors, a total of 869,848,993 gallons. So long as capitalism continues with its incentive to men to engage in the traffic for private gain, there is no hope of checking this evil. The first step toward reformation is to eliminate private gain by socializing the traffic.

<sup>1</sup> For full statistics, see *Tenth Annual Report of the Commissioner of Labor*, vol. 1.

Needless charity is another waste which can be traced directly to the present order. Millions upon millions of dollars are dispersed every year in charity to alleviate the evils which result from our cut-throat system of competition. The main causes of the pauperism that calls for charity are intemperance, illiteracy and over-crowding. Illiteracy is increased because of the economic interest of capitalists in employing children to work who ought to be in school. Over-crowding is due principally to our present system of landlordism. These causes Socialism would remove. Socialism by removing pauperism, would render unnecessary nine-tenths of the present charity. Think of the millions thus saved to society!

Other serious causes of waste are inefficiency of labor, indifference, and want of adaptation. A large proportion of laborers have no choice of their employment. They are obliged to take what they can get whether adapted to it or not. Inefficiency and waste are the result. Under Socialism the State would render assistance to all, thus enabling each to secure the work to which he is best suited. Industrial education would be as carefully looked after as intellectual education. Thus all would be enabled to choose the employment to which they are adapted. The savings thus effected would be truly enormous.

Again, Socialism would save the tremendous expenditures in banking and insurance. These institutions, so necessary and imperative to the present order, would be rendered inoperative under Socialism. Thus the vast capital and army of men engaged in these businesses would be converted into producers. They now in no way contribute to the productive power of society. Under Socialism where the State provides for widows and children, life insurance would be rendered unnecessary. All fear would be removed, for no one would be left destitute and helpless in old

age. As stated by Robert Blatchford, "Socialism is the finest scheme of insurance ever devised."

Many other sources of economic waste might be mentioned. Think of the useless cashiers, clerks, bookkeepers, salesmen, accountants, agents and canvassers employed in any one trade. The commercial waste in this respect is appalling. Again, think of the ignorance, unskilfulness, luxury, useless duplications, misdirected effort, unnecessary superintendence, pernicious activities, etc., etc. The amount of waste involved in these items is beyond computation.

The total loss from all sources would equal, according to Professor Parsons, more than three-fourths of the forces engaged in our industries. That is, five million workers under a true co-operative system would produce the present annual national product of \$20,000,000,000. Add to this the labor of twenty-five millions more, if all were employed, and the total net product would be \$120,000,000,000 per annum, or \$4,000 dollars per worker each year.<sup>1</sup> Capitalism, as we have seen, is the cause of these prodigious wastes.

That any one should desire the preservation of an economic order which necessitates such prodigious waste is beyond comprehension. Certainly a more irrational and absurd system could not be conceived. Capitalism and waste are synonymous. May the day hasten when this industrial cannibalism (capitalism), will be relegated into the limbo of forgotten creeds.

<sup>1</sup> *Philosophy of Mutualism*, Parsons, p. 6.

## CHAPTER XIV.

## MISCONCEPTIONS AND OBJECTIONS CONSIDERED.

THE misconception of, and the objections to, Socialism are closely connected, inasmuch as the latter are mainly based upon the former. These two are so intimately associated that consideration of one necessitates an examination of the other.

## I.—AS TO EQUALITY.

How often it is said that Socialism proposes to divide all property equally among the people, and then we are admonished that were such action to be taken to-day, to-morrow the same old inequalities would reappear. Again we are informed that even if such division should be made, the share of each individual would be very small.

It is difficult to take this misconception in all seriousness. If honestly made it displays such gross ignorance as to be hardly excusable. It certainly savors very much of intentional misunderstanding, of calumny and a desire to misrepresent the Socialist position. Any one with the least acquaintance with Socialist literature knows that no trace of any such idea is to be found in any of the Socialist writings. That which Socialism proposes is not the periodical redivision of property, but the collective ownership of capital, under which *régime* the reappearance of the old inequalities would be rendered impossible. Let it be clearly comprehended that Socialism has in store no "grand divide."

## 2.—AS TO PROPERTY.

Socialism does not propose the common ownership of all property. It is only the instruments of production that are

to be socialized. All wealth not designed for use in production can, under Socialism, be owned as private property the same as now. Socialism only designs the abolition of the receipt of private interest and rent. It would only abolish private property in so far as its possession enables one to secure an income without personal exertion by mere laying of tribute upon the labors of others.

Socialism emphasizes the necessity of private property for the full development of our natures and for personal freedom. It claims that the present system is deficient here, and proposes such an organization of industry as shall secure to all such an increase of property in annual income as will suffice to satisfy all needs and render man independent. All private interest and rent, being but the remuneration of private ownership of land and capital, will disappear. But the suppression of private property, and the unceremonious leveling of all private possessions, forms no part of the socialistic programme. Let it then be distinctly understood that Socialism is not the "negation of property" or the abolition of all private ownership. The negation only applies to capital,—that portion of wealth productively employed. Private property in wealth, the means of enjoyment, will not only be allowed but decidedly encouraged. Instead of depriving all of property it will enable all to obtain property, and place it upon an unimpeachable basis,—that of personal exertion. This wealth could be enjoyed as one saw fit, only he would not be allowed to use it in fleecing his fellows. I lay special emphasis upon this because many educated people betray a scandalous ignorance on the subject.

### 3.—AS TO THE FAMILY.

It is sometimes suggested by the retainers of capitalism, that Socialism is hostile to the family. This can hardly be called a misconception, although in charity we will list it as

such. It shows that the advocates of the present order mobilize every argument, however sophistical, that can be utilized to excite popular prejudice against any system that antagonizes it. It also evidences that our friends are short of ammunition.

As Socialism has to do solely with economic relations, the supposition is at once seen to be absurd. Socialism will, however, have many indirect bearings of vast importance, and none of more consequence than that upon woman and the conjugal relations. That both would be greatly elevated under Socialism none can doubt who are sufficiently informed to venture an impartial opinion. It is the Socialist who has called attention to the destruction of the family life due to present industrial methods. The present economic order is the direct cause of the disintegration of the family. The separation of father, mother and children in our great industrial centres is necessitated by the struggle for existence. Each must seek through his or her own efforts the necessities of life. The wage of the common laborer being insufficient to support his family, the wife and children are pressed into service and the home life is destroyed.

Our present system has built up she-towns in New England and he-towns in the West, besides increasing prostitution and adultery. All this would be eradicated under Socialism, for it would secure to the head of the family sufficient income for all the needs of his household.

Not only would Socialism elevate the family, but it will also elevate woman, by placing her economically upon an equal footing with man. I do not mean by this that Socialism will simply open the door of industrial employments to woman, for this is already done in most departments, and with the most baneful results. In those fields open to women, competition has been fiercer, and wages so lowered that the whole family now earn but the wage formerly received by

the head of the family. Such has been the result in many industries thrown open to the free competition of women with men. Socialism does not propose to increase this competition, but recognizing the physiological difference between the sexes, it would secure to woman the opportunity of suitable employment, with reward according to results. This would mean the true emancipation of woman. Instead of being dependent as now upon man for her support she would be at liberty to earn her own livelihood. This does not imply that all women would avail themselves of this privilege, or that Socialism would encourage her in seeking this employment. The very fact that she has the power to earn her own living would have a salutary effect. It would extirpate the thought of marriage as a "commercial institution," and would exterminate *in toto* the "matrimonial market." Were women enabled to honestly earn their own living, they would not consent to marry for a pecuniary consideration, or for anything else but love. "The spirit of mercantilism," says Mr. Sprague, "has polluted the stream of love and virtue till the most sacred human relation is often made a matter of commerce." Woman no less than man must be endowed with economic independence in order to secure perfect freedom. This does not mean that women whether married or single would as a rule earn their own livelihood, or that Socialism expects such. Socialists hold that it is the husband's province to provide for the necessities of his family, and the very fact that the new order would render it easy for a man to support a family would encourage matrimony.

Says Laurence Gronlund, "It will enable every healthy adult man and woman to marry whenever they feel so inclined, without present or prospective misgivings in regard to their support or the proper education of children. Socialists are charged, ignorantly or insidiously, with attempting to destroy the family. Why, we want to enable every man and woman

to form a happy family.”<sup>1</sup> And not only to form a happy family but to preserve one, for Socialism would remove the chief cause of divorce. Says Professor Ely, “The causes for divorces have been shown by the National Department of Labor at Washington to be largely economic. It is the pressure of economic wants in the lower middle class which is most fruitful of divorce.”<sup>2</sup> Socialism by removing this pressure, would mitigate this growing evil which threatens the home and the perpetuity of our civilization.

#### 4.—AS TO INHERITANCE.

Another misconception and consequent objection to Socialism, is the thought that it denies the right of inheritance. The socialistic principle, however, allows just as much room here as the present *régime*. Of course there would be no inheritance in capital, because capital would be collective property, no longer to be used privately as a means of exploitation. But inheritance in wealth, the means of enjoyment, would be strictly regarded. This inheritance, of course, in its very nature would be limited, because capital would be no longer private property. But a man could dispose of his wealth, the same as to-day, as he saw fit, by donations to clubs and churches, or by bequest or in any other way he might desire.

#### 5.—AS TO STATE SOCIALISM.

State Socialism and Democratic Socialism must not be confounded. The former refers to an enlargement of the functions of the present State without any radical changes, while the latter advocates certain alterations in the interest of democracy. All Socialists of to-day are democrats, believing in a government of and for the people.

<sup>1</sup> *Co-operative Commonwealth*, Gronlund, p. 226.

<sup>2</sup> *Political Economy*, Ely, p. 261.



State Socialism does not necessarily preclude class government even in democratic countries. It proposes that a government above the people shall reconcile all classes by giving to each its just deserts. Thus, while State Socialism contemplates the continuance of higher and lower classes, Socialism proper proposes to abolish all such, and place economic interests in the hands of the people to be democratically administered.

The basis of Democratic Socialism is not, as with State Socialism, mere government ownership, but the abolition of the wage system. Under State Socialism the wage system and its consequent exploitation would continue, the State instead of private individuals playing the rôle of the capitalist.

The public ownership of natural monopolies is socialistic (State Socialism), and a step in the direction of genuine Socialism. It must not be confounded, however, with Democratic Socialism,—the co-operative ownership and management of the instruments of production. The public ownership of the postal-service, electric and gas supplies, water plants, etc., is salutary but of itself insufficient. It narrows the field of private enterprise and makes it easier to organize these businesses on a co-operative basis. This plan, however, as a permanent social arrangement would render but little relief. It is, nevertheless, a great improvement over private control, and as a means to an end it should be encouraged. Every business thus removed from private ownership lessens antagonisms and renders more easy its complete socialization. The public ownership of natural monopolies would close these fields to private investments and the capital thus crowded out would seek investment in smaller industries which are now overlooked, and these businesses would be organized into trusts and prepared for socialization. The public ownership of natural monopolies would thus

hasten the public ownership of all monopolies. But this of itself, as already said, would not suffice. To be sure, the economies of public ownership might be sufficient, as in Glasgow, to abolish all taxation. But how would that benefit the proletariat class? It is the capitalist that pays the taxes, and a relief here only enables him to retain the full amount of his exploitation.

What Socialists demand is that the nation and municipality shall obtain possession of all railroads, telegraph and telephone companies, electric and gas supplies, water plants, etc., the employees to operate the same co-operatively under control of the respective national and municipal administrations, to elect their own superior officers, and no employee to be dismissed for political reasons. This is something quite different from the present State ownership, although the re-organization of such industries on the lines of pure industrial democracy would be an easy matter. State Socialism, then, is a step in the direction of Democratic Socialism.

#### 6.—AS TO PUBLICATIONS.

It is commonly said that if newspapers became collective property, it would mean the suppression of free thought. This objection, like others that have been examined, is due to a misconception.

There would probably be published in every community an official journal, containing all news and matters of a public nature. But aside from this there will also be published many private journals, champions of principles, etc. All printing presses of course would be collective property, but they would be perfectly free to every one. Any individual or set of individuals could have anything published by simply defraying the cost. This would enable all to reach the public ear, by defraying out of their own private income the expense of publication. This privilege would be

protected to the utmost. The bureau of printing would have no right to refuse to print anything decent, however hostile it might be to the administration, provided the cost of publication was guaranteed. If an editor desired to start a journal in advocacy of certain measures, and could secure subscriptions sufficient to defray the expense, he could take his copy to the public press and have it printed at cost, thus making a large saving through the economy of public printing.

7.—AS TO SOCIALISM AND SLAVERY.

Mr. Herbert Spencer speaks of Socialism as the coming slavery. This surely is based upon a decided misconception. He labors under the common delusion that Socialism would compel men to work against their will. This, however, is erroneous. Socialism would not compel any man to work. If he did not choose to labor he would not be coerced. Socialism would only provide the opportunity for all to work, and leave men perfectly free to accept or reject as they saw fit. Is there any slavery about this? What Socialism *would* do, would be to prevent one man from living off the labor of others. It would say to him that if he wished to enjoy the benefits of production he must render personal service to the Co-operative Commonwealth. If he were capable of labor and did not work he would receive no part of the product. Paul says, "If a man will not work neither shall he eat." Socialism, then, instead of being, as claimed by Spencer, the coming slavery, would be, as claimed by Morris, the coming liberty.

Another common misconception in this connection is that the State would dictate what each man should do. Why it is that the State when it furnishes employment should thus decree the labor, any more than the Capitalist under the present system, we are not informed. The Capitalist to-day does not decide what each man must do, he only furnishes

the work in the various fields of industry, and each man chooses for himself what employment he shall follow, subject, of course, to the demand. All cannot be carpenters and masons even if they so desire. The same condition will exist under Socialism. Men would freely choose their lines of work and if possible would be supplied in accordance with their choice. There would be no more curtailment of liberty under Socialism than under the present system, nor as much, for Socialism would provide work for all, while now if a man fails to secure employment at his particular trade he usually remains unemployed.

#### 8.—AS TO DISAGREEABLE WORK.

It is often alleged that under Socialism no one would perform disagreeable work.

Much of the work now regarded as disagreeable is due to the associations that form no essential part of it. Hoeing corn, for instance, would not be unpleasant with congenial companionship and if not continued too long. It is the association that renders work agreeable or disagreeable. But under Socialism most of the disagreeable work would be performed by machinery. There is no question but that Socialism would stimulate invention in this direction. Instead of the inventive genius being aimed, as now, at increasing the earnings of capital, it would have for its purpose, chiefly, to make all kinds of labor as agreeable as possible. In many industrial fields improvements might be made to render the task of the toiler more pleasant, but they have not been simply because it would not pay. Just in proportion as men have been made valuable, machinery has taken their place in performing disagreeable work. Says Mrs. Besant :—“ Much of the most disagreeable and laborious work might be done by machinery, as it would be now if it were not cheaper to exploit a helot class. When it became illegal

to send small boys up chimneys, chimneys did not cease to be swept : a machine was invented for sweeping them. Coal-cutting might now be done by machinery, instead of by a man lying on his back, picking away over his head at the imminent risk of his own life; but the machine is much dearer than men, so the miners continue to have their chests crushed in by the falling coal. Under Socialism, men's lives and limbs will be more valuable than machinery; and science will be tasked to substitute the one for the other." <sup>1</sup> The high value placed upon men by Socialism would certainly lead to vast improvements in this direction. But should there still remain some work considered disagreeable it would not be considered fair to place it all upon some few unfortunates, as under the present order. Socialism, however, has amply provided for this contingency. It does not propose equal reward for all labor without regard to intensity, agreeableness, or health. It proposes to equalize the various vocations by rating the hours of labor shorter in those least desirable. Many would prefer a few hours even at disagreeable work, to a long and tiresome day at the desk. Besides, many are so constituted that a few hours at intellectual labor would wear them more than a full day of the hardest manual effort. Such would certainly prefer those tasks which might otherwise be deemed unpleasant, to even the shortest time at that which is commonly considered attractive employment. But when this is reversed and the hours of labor in those trades usually the least attractive are much less than the normal working day, there would probably be little difficulty in preserving the equilibrium between supply and demand. A little experience would adjust all such minor matters.

Socialism, then, would not equate all kinds of labor, but would establish a reward based upon equity and social

<sup>1</sup> *Fabian Essays*, p. 199.

justice; a reward consonant with brotherhood and sanctioned by righteousness.

9.—AS TO THE DESTRUCTION OF LIBERTY AND FREEDOM.

To the objection that Socialism would curtail or destroy liberty and freedom the Socialist replies that just the opposite would result, for only under Socialism can true liberty and freedom be attained. Socialism would not interfere with the individual in the disposition of his share of the product, nor in any way menace his liberty in the disposal of the large leisure which Socialism would secure him.

John Stuart Mill thinks the objection more pertinent to the present system under which the large majority of laborers enjoy no real liberty, "have as little choice of occupation or freedom of locomotion, are practically as dependent on fixed rules and on the will of others as they could be in any system short of actual slavery." Again Mill says, "The restraints of Communism [Socialism] would be freedom, in comparison with the present condition of the majority of the human race." <sup>1</sup>

Individual freedom consists in the opportunity to develop real individuality and true personal character. This is impossible where each is fighting for himself and against his neighbor. A true social environment is the first requisite to individual development and real freedom. The acquisition of freedom necessitates peace, order, and organization. Socialism alone furnishes the conditions for individuality and personal freedom. To-day we are under the greatest tyranny of which it is possible to conceive,—the tyranny of want. It is this whip of hunger that drives men to work long hours and in unwholesome occupations. It is here that we find the basis of servitude. Slavery is economic dependence on

<sup>1</sup> As quoted by Graham in *Socialism New and Old*, p. 173.

the oppressor. We require liberty not only intellectually and morally but economically. The first two have been recognized as abstract rights, but both have been practically nullified through the absence of the last. We must secure economic freedom to be assured of intellectual and moral freedom.

Man cannot lose what he does not possess. With the vast majority of people freedom is not endangered. The man who has no work, or who must submit to wages dictated by a corporation in which he has no voice,—a wage which means only a bare subsistence,—need not fear the abrogation of his freedom. Personal liberty for such is already abrogated, and in many instances political liberty also, for the dictation of corporations in the use of the franchise is something execrable. A man thus tyrannized over is not free. Any man who for ten hours a day is at the beck and call of a master has not yet attained his emancipation. True freedom can only be realized in the Co-operative Commonwealth.

This objection is based upon a failure to comprehend the changed conditions of Socialism. Servitude would be impossible under a social democracy. Is there less freedom even in a co-operative establishment than there is in one with its employer and employee? If we look at Belgium we will find that workmen prefer government railway shops to those of private corporations. We also find that in Germany the employees have suffered in no way from restrictions, since the railroads passed into governmental control. These facts should suffice to negative this oft-made assertion.

The liberty that the Socialists emphasize is economic liberty. We want every man engaged in industry to have a direct voice in making the rules under which he must work. Nor is this all. Socialists recognize that the real restrictions upon liberty are economic. We are not prevented by governmental restrictions, but by limited resources, from doing

the things we wish to do. For instance, I wish to take a trip to Europe. No statute prohibits me and yet I am restricted ; but the restraint is purely a lack of economic resources.

Whether men work under the capitalistic or socialistic system they must work together. This concert is inherent in the modern order of production. What Socialism proposes is that the workers shall own the means of production and regulate the rules they must obey. That this would secure to them greater liberty within the economic sphere no one can doubt. But what would be of greater importance is the liberty that the *régime* would secure to all outside of this realm. Socialism would increase resources, decrease the hours of labor, and thus give leisure which men could apply to the development of their faculties, to recreation, and to travel.

Perfect freedom of labor, of course, is impossible only in small production, and this only up to a certain point. This objection, as before stated, is just as valid when applied to any form of co-operative labor,—the capitalistic as the socialistic. Let it be remembered that large production is now socialistic in nature. Perfect freedom is irreconcilable with any planful co-operative employment. Freedom, as we have seen, would not be as much restrained under Socialism as it is now under capitalism. No one would claim that labor is free to-day. The industrial worker is only a link in the chain and is subjected to many rules and regulations. It is not only freedom *of* labor but freedom *from* labor that Socialism seeks. This freedom, which results from the common ownership of machinery, would secure to the laborer that leisure so much desired. Socialism would enable men to live as men, and secure to each the best opportunities for free development and movement. The objection that Socialism would destroy liberty either within



or without the economic sphere is wholly without foundation.

It is sometimes said that under Socialism laborers would have no freedom in the choice of occupations and those failing to secure the most agreeable work would feel slighted. Although this objection has been considered, I wish to insert here the reply given by Mr. Sprague:—"The State could give shorter hours or less pay for easy and attractive work, and in this way, by proportioning reward to work, easily regulate the supply of laborers throughout the entire field of industry. . . . Might not Socialism help the individual to secure his choice of work as the present Socialistic highways assist the traveller on his journey, or as our thoroughly Socialistic school system helps each scholar to make the wisest choice of studies? It is in order for our critics to show that because the State owns the school plants, the means of production and distribution of knowledge, that the *freedom* of the scholar is destroyed; that he cannot *choose* his study; that his *individuality* is lost, and that *progress* in knowledge must cease. Socialism in education is no longer an experiment, but a historical and glorious fact. It does not 'choke freedom' in the choice of studies, but furnishes the individual with help, the value of which cannot be overestimated. What is to hinder the same result in industry? . . . It by no means follows that because government supervises work the workman 'will have no choice in the matter.' One might with equal propriety say that because government supervises marriage, including all the details of certificates and returns, it therefore determines what woman a man shall marry. Freedom of choice in occupations, under government supervision of labor, need not be interfered with any more than is the present freedom of choice in marriage. A similar logic would show that the 'factory acts' interfere with the freedom of the manufacturer in choosing

the kind and quality of goods he shall produce. Would any say, because the government owns and supervises the highways, because it requires the traveller to turn out on a certain side, to walk his team on a bridge, to drive through the street so as not to exceed a certain rate of speed, to tie his horse when he stops, and not to drive him at all unless the government regards him in a proper physical condition, that freedom of travel is destroyed, and that a man can no longer choose his destination, but the government must decide where every man must go?"<sup>1</sup>

The plea that Socialism would be destructive of liberty proceeds from the assumption that its government would be despotic. But in a social democracy where the government is really of and by the people, such a notion is seen to be absurd. It is hardly believable that the people would destroy their own liberty. Socialism would secure economic freedom, which is the basis of all freedom. There can be no liberty in economic dependence, and industrial democracy is the only escape from this servitude. The rulers industrially are the rulers politically, and only by obtaining self-government in industry can we obtain it in politics. Socialism would secure for mankind its redemption from this economic bondage. It would enable each industrial group to determine its own rules and regulations, and elect its own directors, thus securing within the economic realm freedom from autocratic oppression. That there would be less freedom outside the economic sphere no one contends. It is generally admitted that Socialism would allow full freedom in the larger leisure.

Socialism, then, so far from negating liberty, contains the only hope of emancipation. True liberty and freedom can only be attained in the Co-operative Commonwealth.

<sup>1</sup> *Socialism from Genesis to Revelation*, Sprague, pp. 376, 380.

10.—AS TO MOTIVES TO INDUSTRY.

The question is often asked, What will be a substitute under Socialism for competition as a force in production? In the main we reply, The same as now, social esteem. Why does a man labor under our present industrial order? The chief thing that animates him, aside from securing the necessities of life, is a desire for honor and social approbation. Men seek for wealth because they think that opulence will bring social esteem. Watch the man who has labored assiduously and been parsimonious until he has amassed a fortune. Suddenly he purchases a fine house and gives a grand entertainment. Is the millionaire now moved by a different motive? By no means. He was chary, and so accumulated money because he thought that its possession would secure him social esteem. But he soon learned that mere wealth could not secure for him that which he so much desired. He strove to secure money that he might purchase applause, and failing in one direction he tries another. Vanity is a greater motive than mere greed. Only a miser loves money for its own sake. Most people seek wealth for what they think it will bring,—admiration and enjoyment. But the man who merely hoards his means does not secure either. These motives—the desire to excel and the eagerness to win, and social approval—would become more prominent as the means of subsistence were secured. The gold-hunger would disappear when the daily bread is assured. Then these incentives which have been so long subordinated would rise to their proper function. Wherever a livelihood is secure the higher desires assert themselves. Under healthier conditions men would realize, what they now learn only by experience, that wealth is not the end of life nor the satisfaction of human desire. There is, even now, a greater motive even than money, to human faithfulness. **Social**

esteem has been the greatest motive that has moved men in all ages. It was so with the ancient Greeks in their national games; it is so to-day in our colleges and universities. It is the real motive that animates men in every department of life. It is at the heart of the domestic problem to-day. The reason American girls prefer other occupations than that of servants is because they think other callings carry with them a higher social approbation.<sup>1</sup>

Greed, then, is not the strongest passion in human nature. Men seek wealth for what it will purchase. But if admiration and enjoyment could not be secured with wealth, is it certain that Mammon would have so many worshippers? To deprive money-grabbing of its power we must make decided social changes. Society must be so reconstructed that wealth would not bring honor, and that widows and children should in no case come to want. This fear of want is the basis of excessive accumulation. Remove this fear of want and men would not burden themselves with superfluities. No! greed is not the chief motive of life. Men will always do more for love, honor, or fame than they will for money. The very argument used against the payment of members of the House of Commons is that men will do more for honor than they will for money. It is argued that to pay members would be to lower the tone of Parliament.

The chief food of genius is not wealth. Genius has always served the world without mercenary incentive. The artist is inspired by the love of his art. Did Shakespeare write plays for greed? Was it competition that caused Watt to invent the steam-engine? Is it greed that has produced such wonderful advances in science? Was it the love of gain that caused Milton to write his wonderful poem? Do the noblest and most clever to-day work for gain? Let us

<sup>1</sup>*Socialism and Social Reform*, Ely, p. 228.

remember that virtue is its own reward. The reward of the artist or janitor is success.

But under Socialism there would also be an economic motive for work. Then as now, if men were able they would have to work or starve. The State would drive no man to work, but he would have to work in order to earn a living. Were work provided for all no relief would be given to help the adults who refuse to avail themselves of it. Men would work under Socialism, because they prefer work to starvation. Paul's rule, already cited, would then be applicable. This is a stimulus to labor which many need to-day. If men deliberately choose starvation through pure indolence, I dare say they would meet with but little sympathy. But to suppose that laziness would prevail to any great extent among the people would be to greatly misjudge humanity. On the contrary the very opposite would be the result. Under the present system the laborer's maxim is, to render as little labor as possible for his wages, and he is entirely supine in regard to his co-worker's conduct. Neither does he care for the waste of tools or materials, for a saving does not add one cent to his weekly earnings. But under co-operation, where the workers are co-partners, and where waste and neglect are not only injurious to the whole but to each individually, the conditions would be changed. Every laborer would be watchful that none shirked his duty, for self-interest and justice would demand that each should render a just labor energy for his share of the product. We may be assured that the man who worked faithfully, would not permit the sluggard to come in for an equal share of the product. When the laborer shall receive the full product of his toil and only that, it will be for the interest of all to be faithful, for that which they produce will be their share of the social product. Under Socialism, then, it would be for the interest of laborers to produce as much

as possible, inasmuch as their enjoyment will depend on the social product. But to-day it is more to their interest to sterilize their productive power, for the less productive their labor, the more labor will be needed and the higher its price.

Says Mr. Sprague:—"Inasmuch as the income and social well-being of every individual would depend, first, upon his own zeal, and second, upon the zeal of others, he would be doubly interested in securing the largest possible product; for his share of this product would measure the amount of necessary comforts and luxuries which he would receive. Each workman would, therefore, have a personal interest in the work of every other. A careless or lazy workman would receive less than the more worthy; every one would be interested in the efficiency of labor, by which cost would be reduced and the social product increased. So far from impairing the motive to effort, it is easy to imagine almost any degree of honest pride and enthusiasm of labor when every workman had a personal interest in the work of every other; and, on the other hand, the detestation with which idleness and laziness would be regarded when these vices assumed the character of direct injury to one's fellows and of treason to the State."<sup>1</sup>

It must not be inferred that because, under the present *régime*, men are indifferent to economic results, the same would be true under Socialism. The conditions would be entirely different. To-day public functionaries have no interest at stake; they draw their pay regardless of the quality of their work. Under Socialism their income would be bound up with the social production. Says Dr. Schaffle:—"Government works under the liberal capitalistic system are under totally different conditions from those of government works under the socialistic system; they [the

<sup>1</sup> *Socialism from Genesis to Revelation*, Sprague, p. 367.

Socialists] would point out that the workmen and overseers of government works to-day have of course no possible personal interest in producing carefully and well for the State. The State pays them their wage whether they have worked well or ill. But it would be otherwise if each received more income the more all the rest accomplished in each and every department. Then to do good work for the community in every branch would have become in the highest degree the private interest of each: the control and discipline of labor, which is becoming under our system more and more impossible, . . . would under their [the Socialist] system be better guaranteed by their collective bonuses; for it would be a matter of importance to each, in respect of his bonus and his pay, that no one should receive a full certificate for bad or lazy work; it would be to the interest of each that the average cost in labor should be as low as possible, because the price of social products would be determined by it, so that labor certificates would be worth more the lower the social cost of every kind of commodity.”<sup>1</sup> That this argument is valid may be seen by the co-operative enterprises in which there seems to be no abatement, but rather increase of zeal. If, under the present system, a small share of the profits as seen in profit-sharing, stimulates the worker, how much greater will be the incentive under Socialism where labor receives the entire profits. “Is it to be argued,” asks Mrs. Besant, “that men will be industrious, careful and inventive when they get only a fraction of the result of their associated labor, but will plunge into sloth, recklessness and stagnation when they get the whole? That a little gain stimulates, but any gain short of complete satisfaction would paralyze? If there is one vice more certain than another to be unpopular in a Socialist community, it is

<sup>1</sup> *The Quintessence of Socialism*, Schaffle, pp. 53, 54.

laziness. The man who shirked would find his mates making his position intolerable.”

That the wage worker does not do his best under the present system is quite evident. He feels that his employer is rich and is paying wages far below what he could afford, and so takes no interest in his work. This is the complaint of employers everywhere. Under Socialism each laborer would be interested in increasing the total product, that he might increase his own income.

In a study of co-operation and profit-sharing, where individual income depends upon the social product, we find that instead of impairing the motive to exertion, the exact opposite is the result. This of itself is sufficient to negative this objection.

## II.—AS TO THE CONFISCATION OF PROPERTY.

The misconception here relates to the justice of confiscation and is due to a failure to comprehend the nature of capitalist accumulations. The Socialist contends that all such is the result of spoilation and exploitation. The capitalist is able to appropriate the product of labor by reason of his ownership of certain means of production. Private property, then, in the instruments of production is unjust. This being so, the removal of the cause of injustice cannot itself be unjust, and if not unjust it must be just. The confiscation of private property in the means of production is therefore just.

If capital represents the fleecings of labor, no one can contend that its holders have claim to compensation on the ground of equity. The only ground upon which compensation can be argued is that of mercy or expediency. Some think that it might be expedient to compensate the capitalists in order to avoid violent resistance in the inauguration of the new order. They argue that the transition could thus be effected with less friction.



However this may be, one thing is certain: if the capitalists do not submit to their expropriation in good grace, there will be no thought of compensation. Such have been the precedents of history. The old feudal barons, the French clergy, the Southern slave owners, etc., are notable examples of such confiscation.

There are two kinds of confiscation: under the present system, by means of law, the capitalists are confiscating the property of the workers and the larger capitalists the property of the smaller ones; under Socialism, by means of law, the workers may confiscate the capital which has been taken from them. The first is legalized theft; the second is legalized restitution. Thus the claim that the Socialist confiscation of capital would be unjust is based upon a misconception.

Here, note, that the confiscation of capital (it is not proposed to confiscate wealth) would not injure the middle class but just the reverse, for they would receive from the new order much more than they give. The re-organization going on to-day means their downfall. Their property is being confiscated and that without compensation. Under Socialism the re-adjustment would not be accompanied by their ruin, they would merely exchange their little capital and hopeless struggle and deprivations, for a co-partnership in the whole productive capital of the nation which would secure to each increased income, shorter hours of labor, freedom from worry, and opportunity for development. It would appear to the writer that if capitalists are expropriated simultaneously it would be absurd to talk of compensation for it would be unnecessary. Socialism would open the door of equal opportunity to all and enable all to work and supply their own wants. This does not mean that no temporary relief would be granted in cases where it was deemed expedient. I

believe, therefore, that compensation would be unnecessary as well as unjust.

But in fairness to those who think it advisable, let me say that they do not propose that the vested rights be paid off in money. No specie then need be borrowed, nor bonds issued. The possessors of capital would be recompensed in goods, in the means of enjoyment, paid in regular annuities until the obligations were satisfied. Suppose the State should owe a Vanderbilt one hundred million dollars. He could take the value of his capital in labor checks or non-interest bearing certificates of indebtedness and use them as he pleased. One million would be redeemed every year, and with this regular annuity he could enjoy himself to his heart's content, but he could not capitalize his wealth and turn his superfluity into a source of new income.

In the words of Dr. Schaffle: "If the full compensation were given, it would only be paid to the persons bought out in the shape of consumable goods, not in sources of income or instruments of production of any other kind; as private property in the instruments of production would no longer be allowed . . . . It will be readily seen that with this kind of compensation the gigantic capitals of the Rothschilds and others, even if reimbursed to the full value, would only become a suffocating superfluity of consumable commodities, and could have no lasting existence. Great private fortunes would at once cease to exist as capital, and speedily also as wealth."

As before stated, those who advocate compensation do so not from the standpoint of justice but merely from expediency and mercy. Even were the method of compensation carried out, it would not be long before any economic inequalities would be based solely upon personal labor performed.

Socialism would pluck all usury and unearned income

up by the roots. Socialism would render a permanent hereditary wealth impossible. Abolish rent and interest and the only aristocracy would be founded upon personal merit.

12.—AS TO CORRUPTION OF POLITICS.

To say, as many do, that the enlargement of the sphere of the State would increase corruption, shows a failure to trace the evil to its source, and it also betrays an inappreciation of the changed conditions which would exist under Socialism. The cause of corruption is opposition of private to public interests. Self-interest is the root. So long as individuals can further their private interests at the expense of the public, so long there will be legislative corruption. "The railroad lobby is the effect of which self-interest is the cause." Under Socialism there would exist no railroad interest as opposed to the social interest, and consequently there would be no railroad lobby. Under Socialism not only the incentive but the opportunity of public corruption would cease. The average corporation to-day is admitted to be politically a corrupting power. Legislatures are bribed, either directly or indirectly, by those owning vast aggregations of wealth, that special privileges may be obtained. Socialism would correct this evil by removing the cause. We have but to refer to Birmingham and many other European cities, once enormously corrupt, in proof of this assertion. They have become the best-governed cities in the world since the socialization of their natural monopolies. Public and private interests must be united in the interests of a higher civilization. Professor Parsons says:—"As for corruption and political abuse, it is not public but private enterprise that causes these. It is not the post-office or the city water supply that runs the lobbies and buys up our legislatures, but the railroads, telegraph and gas companies. Nothing would purify politics and aid civil service reform more effectually than

public ownership of monopolies under non-partisan boards composed of members from each political party. Experience has proved it. Glasgow is full of the worst sort of toughs, and its government was very corrupt, till the gas plant, street railways, tenement houses, etc., became public property, and then the best people said: 'See here, this thing is becoming too serious. There is too much at stake; we will not let these roughs run the city for their private profit any longer,' and they didn't." Glasgow to-day is one of the best-governed cities in the world.

The public ownership of monopolies is in itself a tremendous influence in civil service reform. This is one of the surest ways to compel men of character to give attention to public affairs. Increase governmental control and the best men will at once become interested. The vast business interests at stake will arouse them from their lethargy. These statements are not based upon theory but upon facts.

Says Professor Ely:—"Private monopolies must be controlled by public authority, and control means interference with private business, and this begets corruption. . . . When, however, we have public ownership and management of natural monopolies public interests and private interests are identified, and the best citizens are on the side of good government. . . . We have here the suggestion of the true way to reform our civil service. It is idle to say: 'Wait until our civil service is better, and then we will introduce the principle of public ownership and management of natural monopolies.' The industrial reform must precede, for that alone can open the door to thorough-going reform in our administration."<sup>2</sup> What is true of natural monopolies, is true of all monopolies and of all business interests.

Evolution in society is in constant progress and new rela-

<sup>1</sup> *Philosophy of Mutualism*, Parsons, p. 32.

<sup>2</sup> *Political Economy*, Ely, p. 257.

tions are ever evolving. Society should respond to these new duties and gladly accept this wider responsibility. This policy would tend to purify politics. Expansion of national and municipal life tends to improve civil service, but a restriction of governmental enterprise has always wrought disintegration. The let-alone policy means the lessening of interest in public life, and so its degradation. We are suffering to-day from extreme individualism. The let-alone policy is helpless in the presence of the great evils that confront us.

Our incapacity and lack of a sense of responsibility to public welfare is largely due to false teaching and development under the one idea of individualism. This excessive individualism has rendered us neglectful of public duties. We have insisted on belittling governmental functions until indifference has taken a strong hold on our best citizens. So true is this that Amos G. Warner has said that "the people of the United States have a larger share of administrative awkwardness than any civilized population." This is directly the result of our excessive individualism. The blind application of this principle is leading us to social disaster.

Thus it is evident that this objection is without foundation, even when applied to the extension of the present State's activity. But even were it valid under the present *régime* it would not at all follow that it would have any point when applied to the utterly changed conditions of Socialism.

This objection when applied to Socialism involves three fundamental misconceptions.

First.—It assumes that a democratic government is something separate from and opposed to the people. This is somewhat true of our present State, because it lacks certain elements of democracy. Our so-called democratic government needs to be further democratized. As this has been

fully treated elsewhere more need not be said in this place.

Second.—It presupposes that the spoils system would continue under Socialism. This system is a tremendous factor in political corruption, but to suppose that it can form any part of a socialistic State, in which every man is a public functionary, is to expose gross ignorance of the Socialist programme. The part played by the mere office-seeker and professional politician would be negatived under the new order. True civil service would take the place of the partisan scramble for office, for the administration would be public and not partisan, and so the opportunity as well as the motive of corruption would cease. Extirpate the spoils system and political abuse would receive a death-blow.

Third.—It takes for granted that money would exist and play as important a part under Socialism as under the present system. Money is indeed the root of political evil. It is money that runs the lobby, bribes legislators, and defeats the ends of justice. But as we have seen, Socialism abolishes money. Nor would corruption exist with other species of property, for there would be no motive. Under Socialism, what would be the object of legislative dishonesty? There would be no opportunity for a man to secure private benefit for there would be no opportunity for him to engage in private business. All political jobs, then, which result in corrupt legislation, would cease to be. But even were it possible for an individual to secure special privileges at the expense of the public, where would be the motive? He could only obtain an excess of commodities, which he would be unable to consume or dispose of. And for the same reason there would be no temptation for officials to accept bribes. Socialism would remove the opportunity and the motive of corruption. Men would have no incentive to secure a great fortune when they could not capitalize it and

make it a source of productivity. With the abolition of money political corruption would cease to exist.

The lobby is a perfectly natural concomitant of the capitalistic system. Do away with private capital and this evil would immediately disappear. The corruption of politics to-day is inherent in the industrial system, and until the system is abandoned it is futile to expect much reform. Abolish private capital and political corruption becomes impossible. Eliminate the factor of money and fitness will become the passport to public office, thus making "a public office a public trust." Under our present system the incentive to corruption is too great to hope for much improvement. If men were perfect beings they might administer the present State honestly and justly, but in the present stage of human development the temptations seem more than frail humanity can bear. So long as government must depend for administration on imperfect beings, it would seem the only wise course to remove the motive of perfidy and dishonor. Socialism would not only remove the motive but also the opportunity for corruption.

It is sometimes thought by ill-informed persons that Socialism could not be realized until men became more honest. Not so. First remove the cause of dishonesty in public administration,—private gain. Render it impossible for men to subserve individual interests by violating the public trust, and faithful, honest legislation will be secured. If men could not advance their own interests at the expense of the public, they would have no motive to bribe public officials. By removing capital from private control we remove the cause of political jobbery. Under Socialism there would be no opportunity to raid the treasury or secure fraudulent appropriations.

Socialism, instead of increasing political corruption, is the only remedy for its removal.

### 13.—AS TO THE CHARACTER OF THE EXPONENTS OF SOCIALISM.

It has sometimes been thought that the exponents of Socialism are wild theorists. But Professor Ely declares that Socialism "has found advocates among many gifted, learned, and very practical men. The leaders of Socialism in the present century have generally been men of extraordinary capacity, placing themselves far above the ordinary man." Among those whom he mentions are Robert Owen, William Morris, and others trained in the great English universities, who have been successful in whatever they have undertaken. He also mentions Fredrick Engels, Ferdinand Lassalle, and Karl Marx, the leaders of German social democracy. Of these he says: "Karl Marx is recognized by friend and foe as one of the most learned and gifted economic thinkers of the present century; Fredrick Engels is one with whom economic philosophy must deal, and it is said, besides, that he has been more than ordinarily successful in business; while the gifts of Ferdinand Lassalle attracted the attention of all with whom he came in contact."

"Nor can it be denied that those who are giving Socialism its shape in Switzerland, France, the United States, and elsewhere, are men who must command our respect on account of their capacity of every sort." He then calls attention to the fact that Socialism is not a scheme that meets with favor among criminals. The criminal classes are conservative in their religious and economic views. In support of this proposition he gives many reasons and facts. He also finds that Socialism is greatly favored among people of artistic temperament. Many poets, painters, and authors have been enthusiastic in support of the cause. William Morris and Alfred Hayes prominent among English poets, and Walter Crane the artist, are members of the Fabian Society. Many others,



such as John Ruskin and W. D. Howells, may be classed as Socialists.<sup>1</sup>

The unfavorable atmosphere for art and literature produced by competitive society, is the explanation of the growing sentiment of Socialism among the intelligent classes. Both art and literature demand a suitable social environment. The widening gulf between the classes is fatal to these accomplishments. What is needed is more leisure and comfort for the masses and a higher public life, such as will furnish an atmosphere in which they can thrive. Socialism would furnish the suitable conditions. It emphasizes the subordination of the economic life, and would secure leisure and opportunity for the development of the higher faculties.

#### 14.—AS TO SOCIALISM AND PATERNALISM.

Socialism and paternalism are often confounded. A paternal government is one in which the people have nothing to say,—a government outside the people in which everything is done for them. All monarchical governments are paternal. Those who believe in paternal government have held that the power of sovereignty is like that of a father over a family, and that through patriarchs the right descended to kings. If a king presides over a country and rules it without the voice of the people, establishing a postal service and building railroads, that is paternalism.

Socialism, however, is not *paternalism* but *fraternalism*. Socialists propose to own and manage the instruments of production and distribution themselves. This is true democracy. Socialism is essentially democratic and the anti-thesis of paternalism. In a democratic government the people manage their own affairs; in a paternal government the people have no voice.

<sup>1</sup> *Socialism and Socialism Reform*, pp. 38, 157.

Socialism is neither paternalism nor governmentalism. Socialists do not propose turning industry over to a government of any kind. What they do propose is to organize business upon a co-operative basis to be operated by the people in the interests of the people. Socialism is co-operation,—organized society,—in which the people own and operate their own industries. Socialists being democrats have always opposed paternalism and the extension of paternal government. Many Socialists have opposed the extension of our present government until it has been socialized.

Paternalism is more applicable to a representative than to a Socialist government; but even here the term is a misnomer. In fact, the term, "paternal government," has reference only to the kind of government, and not to the details of administration. A paternal government is really a government over which a patriarch rules. Paternalism has no reference to the functions of government, says Professor Ely, and he also adds that those who use the word to describe the activity of a democratic state are illogical, for in a democracy the people themselves govern, and the State does not exist as something separate from them.

The real paternalism in this country is the private ownership and control of industry. We have seen that paternalism is that which is done for us. This is applicable to the individual or corporation as well as to the government. When the people leave the railroads, telephone and telegraph companies, etc., in the hands of private parties, and allow them to do these things for us instead of doing them ourselves, they are paternalists. In the management of these industries the people have nothing to say, which is the very essence of paternalism. Were the people to assume control of these monopolies and manage them in their own interests, that would be fraternalism.

Socialism, then, is fraternalism, not paternalism.

15.—AS TO SOCIALISM AND ANARCHISM.

Many people have fallen into the error of confounding Socialism and Anarchism. Capitalists have lost no opportunity to strengthen this misconception in order thereby to discredit the former. The two, however, are at antipodes. Socialism believes in the extension of government; Anarchism believes in the destruction of government. They are diametrically opposed and move in contrary directions.

The Socialist Labor Party has issued a pamphlet entitled, "Socialism and Anarchism—Antagonistic Opposites." It says, "Socialists and Anarchists, as such, are enemies. They pursue contrary aims, and the success of the former will forever destroy the fanatical hopes of the latter."

Anarchism might more easily be confounded with Individualism, for Anarchism is but Individualism carried to its logical conclusion. Anarchists and Individualists both proclaim to the State, "hands off." The main difference between Individualism and Anarchism is that one is peaceful while the other is violent. They both decry State interference in industry.

While Anarchism would destroy the State and all government, Socialism regards the State as the highest good and would socialize it and extend its sphere of activity. Socialists and Anarchists are always in conflict and where one party is strong the other is weak. The Anarchist weakness in Germany is due to the Socialist strength in that country. Anarchists are always expelled from Socialist conventions, as evidenced by their International convention in Brussels in 1891, in Zürich in 1893, and in London in 1896.

## CHAPTER XV.

## CONCLUSION.

THE work of Socialists to-day is that of education and organization, especially the education and organization of the proletariat or working class.

The Modern Socialist movement rests upon and receives its initiative from the proletariat class, for it is primarily a working class movement and could not have come into existence but for the rise of the class itself. Socialism arises necessarily out of the economic situation of the proletariat. To become emancipated from this condition it is necessary for the proletariat to become supreme and this can only be accomplished by overthrowing the capitalist order.

This struggle for mastery is necessarily a class struggle, a struggle between the proprietary and non-proprietary class. The interests of these two classes being diametrically opposed, a class struggle is inevitable; in fact, Modern Socialism is based upon the class struggle—it is the child of capitalist society and its class antagonisms. Nothing is so important as to keep clear the class character of the movement. When a laborer realizes that he can only permanently improve his condition by improving the condition of his class, and realizes what his class interests are and how they can be advanced, he is said to be class conscious. When he becomes class conscious he recognizes the class struggle and takes his stand with the class of which he is a member. A recognition of this fact of class antagonisms on the part of the whole working class, and a united political action would enable them to master the public powers and put an end to capitalist exploitation.

Socialism, then, represents the interests of the proletariat class. It does not represent the class interests of either division of the proprietary class, for their class interests signify such policies as make for the perpetuity of their class; that is, the perpetuity of the present system. The class interests of the proletariat, however, demand the abolition of the present system and so the interests of this class are in accord with social progress. We thus call upon the workingmen to unite to secure their emancipation, which would mean the emancipation of society, for they cannot save themselves without abolishing the cause of all economic servitude and oppression. To be sure, Socialism represents the higher interests of all—for it means a higher and truer civilization—but the members of the proprietary class are so blinded by prejudice and class interests that they cannot see this fact.

We do not expect, then, that the capitalist class, as a class, will join the forward movement, but individual members will join and are joining. Of course, we expect nothing from the large exploiters, but many of the small producers and traders, realizing their hopeless struggle, have been led to see the light and have joined the movement. But we do not expect large accessions from this class so long as they retain their economic foothold; it will not be long, however, before this portion of the proprietary class will be expropriated and join the ever growing majority—the proletariat. Their economic downfall is quite apt to set them thinking, and Socialism is being constantly strengthened by such recruits.

Socialism, as we have seen, is the only solution of modern social and economic problems, and furnishes us the only conditions for the realization of noble character and the religious ideal. The Christian has for his

ideal the dethronement of mammon and selfishness, and the exaltation of God and humanity. That this end can be attained under the present *régime*, only the most sanguine contend. All Economists recognize the injustice of present methods, and strive to mitigate the evils. Nearly every proposition for remedying the wrongs lies in the direction of Socialism, and were they carried far enough to be effective, they would result in Socialism. The evils are inherent in the present system and cannot be remedied by any measure that falls short of the Socialist demands. The instruments of production, distribution, and exchange must be socialized sufficiently to secure social justice. Will this end be attained? We plead guilty to the charge of optimism. We believe that the ideal of the ages will be realized. We hold that the course of human history is such as to warrant us in maintaining that society is capable of being born out of its travail of sorrow and struggle into a condition of plenty and comfort for all. We expect long ages of humanity on this earth when war, oppression, enmity, poverty, and want shall exist only in tradition; when the sun shall rise to gladden the eyes of every man, woman, and child. The prayer of the Nazarene, "Thy kingdom come, Thy will be done on earth as it is in Heaven," will surely be answered. Do Christian people believe that Jesus prayed in vain? If not, why do so many of His so-called disciples antagonize the Socialist ideal? The ethics of Socialism are the ethics of Christianity. Nearly all people desire Socialism, but some wish it to be postponed to the next world. They tell us that we all will be kings over there. But if Socialism is needed anywhere it is needed right here. And if it is a good thing, why postpone it until the future life? If Socialism is a good thing for paradise, why not have it here in this world?

Socialism is but an endeavor to realize upon earth this ideal,—to bring about the Kingdom of God among men. Is

it not a little inconsistent in those who pretend to believe in this condition for the next world to so strenuously oppose it for this? Their opposition, however, will not prevent its fulfilment, for people are beginning to realize that profit-mongers are unnecessary to labor, and that the whole class of perpetual pensioners on productive toil could as well be eliminated.

We need to inspire working people with hope, and show them the way of their emancipation. The fact of the rapid spread of socialistic ideas is an encouraging sign. The latest statistics of the Socialist vote in the various countries evidence that salvation is nigh.

The *People* of Dec. 27th, 1896, gives the Socialist strength in different countries as follows:

Germany.—Vote, 1871, 124,655; 1881, 311,961; 1890, 1,427,298; 1893, 1,876,738. Socialist Trade Union membership, 250,000; 48 members in the Reichstag; 4 daily papers and 23 weekly papers.

France.—Vote, 1889, 91,000; 1893, 600,000; 1896, 1,400,000; 62 members in the National Chamber of Deputies; elected majorities in the Council of Paris and 28 other large cities and in 1,200 small cities; 78 papers. The CAPITALISTS complain of "COERCION."

Italy.—Vote 1893, 20,000; 1896, 90,000; 19 members in Parliament; 33 papers.

Denmark.—Vote, 1872, 315; 1884, 6,805; 1887, 8,408; 1890, 17,232; 1893, 25,019; Socialists Trade Unions, 713; 6 daily and 3 weekly papers; great gains recently; 9 members in Parliament.

Norway.—Seventy-six organizations; 2 daily papers; growing rapidly.

Sweden.—One Socialist member in Parliament, from Stockholm, in spite of the property qualifications for voters.

Holland.—Vote, 1895, 280,000.

Belgium.—Vote, 1895, 344,000 ; 1896, 461,000 ; members of Parliament, 33 ; daily papers, 4 ; Socialist university and schools. The capitalists fear a Socialist triumph at the next elections.

Switzerland.—Vote, 1896, 107,990.

Austria.—90,000 members ; 65 Socialist journals.

England.—Vote, 1895, 98,000.

Ireland.—Organizing rapidly under the name "The Irish Socialist Republican Party."

Servia.—Membership, 50,000.

Canada.—Movement growing in the cities.

Argentine Republic.—76 organizations.

Spain.—Five weekly papers ; large city growth.

United States.—Vote, 1888, 2,068 ; 1890, 13,331 ; 1892, 21,157 ; 1894, 33,133 ; 1896, 36,563. Presidential ticket in twenty states. Socialist Trades and Labor Alliance growing. This, however, does not represent the full strength of Socialism. There are thousands of people who accept the principles of Socialism, but have never affiliated with the Socialist Party.

Walter Vrooman in his *Government Ownership* has shown the industrial progress Socialism has made in the world. He gives 337 enterprises conducted by the various governments, municipal and national, and 225 enterprises which are more or less controlled or restricted by the people. The progress already made by Socialism evidences that the great mechanism of industry in the future is to be owned and operated in the interests of the whole people. Indeed, the redemption of humanity from industrial slavery is assured. But let us not relax our efforts, for much yet remains to be done. Rather let us increase our vigilance, knowing that our labor is not in vain. This hope of the coming kingdom is well expressed by William Morris in his poem, *The Day is Coming*, from which I have selected the following stanzas :



- "Come hither lads, and hearken, for a tale there is to tell,  
Of the wonderful days a-coming when all shall be better than well.
- "There more than one in a thousand in the days that are yet to come,  
Shall have some hope of the morrow, some joy of the ancient home.
- "Then a man shall work and bethink him, and rejoice in the deeds  
of his hand,  
Nor yet come home in the even too faint and weary to stand.
- "Men in that time a-coming shall work and have no fear  
For to-morrow's lack of earning and the hunger-wolf anear.
- "I tell you this for a wonder, that no man then shall be glad  
Of his fellow's fall and mishap to snatch at the work he had.
- "For that which the worker winneth shall then be his indeed,  
Nor shall half be reaped for nothing by him that sowed no seed.
- "O strange new wonderful justice! But for whom shall we gather the  
gain?  
For ourselves and for each of our fellows, and no hand shall labor in  
vain.
- "Then all *mine* and all *thine* shall be *ours*, and no more shall any  
man crave  
For riches that serve for nothing but to fetter a friend for a slave.
- "Ah! such are the days that shall be! But what are the deeds of  
to-day,  
In the days of the years that we dwell in, that wear our lives away?
- "Why, then, and for what are we waiting? There are three words  
to speak,  
WE WILL IT, and what is the foeman but the dream-strong wakened  
and weak?
- "O why and for what are we waiting? while our brothers droop and  
die,  
And on every wind of the heavens a wasted life goes by.
- "How long shall they reproach us where crowd on crowd they dwell,  
Poor ghosts of the wicked city, the gold-crushed hungry hell?

“Come, then, let us cast off fooling, and put by ease and rest,  
For the CAUSE alone is worthy till the good days bring the best.

“Come, join in the only battle wherein no man can fail,  
Where whoso fadeth and dieth, yet his deed shall still prevail.

“Ah! come, cast off fooling, for this, at least, we know :  
That the Dawn and the Day is coming, and forth the Banners go.”

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